# Daily Report

# Latin America

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Wednesday
29 August 1990

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*FBIS-LAT-90-168* *29 August 1990*

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## Castro Opens UN Congress on Crime Prevention

*FL2808152090 Havana Tele Rebelde Network in Spanish 1438 GMT 27 Aug 90*

[Speech by Commander Fidel Castro, president of the Republic of Cuba's Councils of State and Ministers, during the opening session of the Eighth UN Congress on Crime Prevention and Rehabilitation at Havana's Palace of Conventions—live]

[Text] Esteemed Miss Margaret Joan Anstee, secretary general of the congress; Mr. Personal Representative of the UN Secretary General; distinguished delegates and guests: On behalf of the Cuban Government and people I am pleased to give the warmest welcome of our country to all the participants in this Eighth UN Congress on Crime Prevention and Rehabilitation and express our sincere wish [Castro clears his throat] that this meeting's discussions will end with all the success you hope for, and for which its organizers have made such efforts in line with the importance of the subjects you are going to discuss during the next few days.

As far as Cuba is concerned, we are convinced that international cooperation is a decisive element in advancing toward the understanding of crime and its evolution in the world, which has been subjected to acute contradictions, enormous pressures, and profound changes. Cubans can attest to the fact that the exchange of information and experiences on the results each country obtains in this complex problem is of great value to all the other countries. It is not an exaggeration to say that the modernization of our criminal justice system is also in part a result of international cooperation, a result of these congresses and the enormous work of the United Nations in this field.

Our country is in the privileged situation of being almost free of many of the more complex and aggravated forms of contemporary crime. Our society's characteristics play a determining role in this; there are no great social and economic differences between the various sectors of the population, and there is a range of opportunities available to all the country's citizens. In Cuba you will not find any kind of organized crime or the generalized climate of violence that characterizes the vast majority of the societies of today and which justifiably is of great concern to those who follow closely the development of these phenomena.

You will not see abandoned children in our cities' streets, and you will not see the extreme poverty and helplessness that can be seen even in the wealthy capitals of many developed powers. You will not see the presence of drugs, gambling, prostitution, or beggars. In contrast, you will see a healthy, hard-working, and united people. All this, in short, is part of of a gigantic social effort that Cubans have obvious reasons to feel satisfied about.

Cuba also offers you our practical, concrete experience in the field of criminal justice. I hope you will have the opportunity to get to know about this. I am specifically referring to our experience in areas such as the approach to crime as a phenomenon influenced by profound social causes, the emphasis on the prevention rather than repression of criminal behavior, trial guarantees, the role of the masses in crime prevention and rehabilitation, and experience in the use of alternative sentences other than imprisonment.

Our work in the fight against crime rests on prevention, early recognition of pre-criminal attitudes, and concentrated efforts to resolve these attitudes through differentiated treatment in each case. We give priority in our prison system to the rehabilitation of those who have been sentenced by making possible their integration into jobs at the same wage level as any other individual for similar work, so that they may provide their families with the necessary care and help, and by later facilitating their reintegration into society.

We think the decision of the organizers of this congress to make the central subject of discussion the link between crime and development is particularly fitting. Today no one doubts that among the major factors that generate criminal behavior are poverty, deprivation, hunger, illiteracy, lack of opportunity, and other traits that distinguish social underdevelopment, poverty, and discrimination. We have always been convinced that in our poorest countries, the fight against crime must be part of the fight against underdevelopment and exploitation.

To these circumstances we should add those external factors that worsen the situation. The abyss of inequality between the levels of development of the industrialized countries and the economically underdeveloped countries continues to strengthen. The foreign debt has now become the major obstacle to development, the most important tool for financial looting, and the most modern form of neocolonial dependency for the underdeveloped countries.

Unequal terms of trade are worsening, and protectionism is spreading. External flows of financing for development are being drastically reduced. What Third World countries have paid to service the foreign debt since 1980 amply exceeds the current total debt itself, which at the end of 1989 had reached the fabulous figure of 1.28 trillion dollars. Already since 1985 we have been sounding the warning that the foreign debt of the underdeveloped world is unpayable and it is necessary to find a solution to this unbearable situation. We said then that if recessive-type adjustment measures continued to be applied in the midst of an ever more desperate crisis, uncontrollable social disturbances could occur.

Now today no one—neither creditors nor debtors—disputes the fact that the foreign debt of the underdeveloped countries is not only unpayable but uncollectable. The effects of the economic situation of the Third World countries can be seen in the serious deterioration in their living standards. Even though they are well known, the figures are still impressive. Almost 60 percent of the

economically active population is unemployed or underemployed, and more than 75 percent are insufficiently paid and do not have a minimum of social security. There are more than 950 million human beings who live in conditions of absolute poverty. There are 195 million children under age five who go hungry. There is an infant mortality rate 10 times higher on average than that in the developed countries. There are 4,000 children dying every day, most of them for preventable reasons or from malnutrition. There are 900 million adult illiterates, and hundreds of millions of children who have no school to go to or who live in the most absolute poverty.

The crude reality is that today in the underdeveloped world there are more hungry people, more sick, more poor, more unemployed, more ignorant, more human beings without hope. This is the most favorable breeding ground for crime. In addition, the countries suffocated by the debt and the inequality of the international order can make little progress in preventing this crime, as they lack the resources to do so.

The current international political crisis and the threat emanating from events in the Persian Gulf of a war that would destroy incalculable numbers of human lives and enormous wealth multiply the negative economic indicators for the immense majority of Third World countries. Already the price of fuel has risen by more than double. The duty of the international community to find a nonviolent solution to the conflict has to do not only with the sacred interests of peace but also with the lives of tens of millions of human beings who could die as a result of hunger, in addition to those who are already dying now for that reason.

Delegates, I ask myself if the current framework of international economic relations, as far as the Third World countries are concerned, is not in and of itself a well-defined group of criminal elements such as usury, extortion, fraud, and who knows how many more things. This is why the fight against crime at this level also includes the struggle in favor of a more just international economic order.

Certainly, as is stated in all the preparatory documents for this congress, we are witnessing an accelerated process of the internationalization of crime. The attempt to begin to find an answer to this singular phenomenon of our age is very praiseworthy. But what is becoming more and more evident is the need to confront not only the most common forms of transnationalized crime, such as economic crimes, drug trafficking, terrorism, or crimes against the environment. Any analysis of this must necessarily include the actions of those who act or try to act with absolute disregard of the standards established in international law, such as nonintervention, or with the absurd and dangerous expedient of the extraterritoriality of a nation's internal legislation.

The dramatic reality of our time is that no small country feels safe today as long as the powerful countries' ability of dictating and doing things at will or at their convenience is in fact accepted. This is also a form of international crime, the most serious and dangerous for the entire human race, and it cannot be ignored in any analysis of this subject that one tries to make with a minumum level of objectivity. In this regard, the greatest scope and meaning of international cooperation will be given by the specific actions that the international community may take as a whole against these manifestations of abuses and criminal violence in international behavior.

The rise in transnational crime concerns all of us, as we observe how it is spreading rapidly, diversifying, and becoming more complex because of technological development, how it is becoming institutionalized through the rise of almost omnipotent supranational organizations that have colossal financial and logistical resources, and how it rests on corrupt procedures, penetration, violence, and terror which try to undermine nations' internal stability and will to resist.

Without a doubt, of all the types of organized transnational crime the international community is facing in our time, none has attained the magnitude and extension, the volume of resources, and the cost in social and human terms of drug trafficking. Delegates, I do not intend to give details you already know very well about the particularly serious, pernicious, and explosive nature of the problems originating from drug production, trafficking, and consumption.

In this regard, I would like to assert to you unequivocally that Cuba is one of the countries in the world that is most free from drugs. In our country, this disastrous phenomenon is not a problem for society. The current laws severely sanction any activity related to international drug trafficking, and we are considering the possibility of putting even more severe laws into effect. In those cases in which activities of this type have been detected, we have acted with the greatest firmness. However, the number of acts connected with the possession and consumption of drugs is insignificant.

Our geographic position makes us an area of obligatory transit for thousands of airlines, companies, or aircraft that fly on normal routes and cannot be inspected in the air. Nevertheless, the systematic pursuit of any suspicious activity in our national skies or waters has led—between 1970 and June 1990—to the seizure of 73 boats and 30 planes, and the arrest of 422 traffickers of various nationalities, as well as the seizure, between 1985 and June 1990 alone, of more than 125 tons of marijuana and 5,941 kg of cocaine, all headed for the United States.

As you can see, it is unlikely that there exists in the world a less attractive country than ours for international drug trafficking. I will take advantage of this occasion to repeat Cuba's complete willingness to cooperate in whatever serious and consistent efforts are undertaken in the fight against drug trafficking, based on respect for the sovereignty of nations and a full understanding that the

problem cannot be solved solely or even primarily through measures applied in the producing areas, but that the fundamental responsibility rests on the great centers of drug consumption.

Another of the subjects that will be considered in this meeting, which concerns juvenile delinquency, also has exceptional importance in our opinion. Young people are the sector that is most vulnerable to the growing spiral of crime in our time. In those countries where crime in its most organized and violent form is increasingly spreading to different sectors of society, the young are the basic instrument in the spread of these activities and the raw material on which criminal organizations feed and develop.

In the developed countries, social, economic, and even racial factors influence this situation. They make it possible, within these sometimes wealthy societies, for considerable groups of the population to live in deprivation, poverty, illiteracy, unemployment, and discrimination. This explains the high rate of violent crime in the capitals and large cities of highly developed countries. It also contributes to an explanation of the occurrence of homicide among young people between ages 15 and 24. Because of its magnitude and seriousness, some have called it the epidemic of death, and it has been considered a serious health problem.

It is unquestionable that as long as this enormous difference in social, economic, and cultural conditions exists within a society, it will be very difficult to eliminate crime among young people. Only the creation of opportunities for education in a climate of equality and participation, access to jobs and culture by the young people in the poorest levels of the population, along with the repression and control of criminal organizations, mainly those devoted to drug trafficking and consumption, will make it possible for these countries to solve this extremely serious problem.

In Third World countries, the participation of young people in criminal activities has other characteristics. Here also poverty and the lack of opportunity, the scarcity of social possibilities, generate tensions and contribute to the commission of crimes. But in most cases this is not a question of participation in criminal organizations that promote the most serious forms of violent crime and drugs. Under these conditions, socioeconomic factors, opening up opportunities for education and technical training, and the assurance of a job, are the most formidable support in the great battle to prevent juvenile delinquency and protect the young.

In Cuba, as you will surely hear during the discussions, the rate of crimes committed by minors is extremely low. This is due in part to the fact that the major role in preventing criminal behavior is played by society as a whole, but above all the determining factor is the enormous opportunities and possibilities created by the education and training of all minors, true equality of opportunity, and the exceptionally high priority attention provided in the country to young people and children.

These social factors, along with our concept of separating the handling of juvenile delinquency from the ordinary penal system and applying an especially reeducational approach, determine the result that in the first six months of this year only 1,330 minors were tried for crimes committed. Their handling is part of the set of measures applied in the country in cases of juvenile offenders, which in many cases does not include imprisonment and in all cases includes reeducation.

Delegates, I have felt obliged to touch on these issues because of their direct connection with the problems this congress must discuss. But I do not want to impose on your patience and kindness, nor take away one minute more from the start of your discussions. I know that you have a lengthy agenda, that the documents to be discussed and the proposals on which you must make decisions are many and very complex, and that the schedule is tight.

But in addition to working, we would like you to be able to enjoy your stay in our country. Nothing would please us more than to give you the opportunity to see our country and our people. We are a small nation that must fight every day to survive and develop in very adverse conditions. Since the crisis in the socialist countries of Europe, pillars of our international economic relations, it has become much more difficult.

We have not lived in abundance, but neither have we lacked anything essential. We need many things, but we have also set forth many things. We are impatient and unsatisfied, but we believe in people and the future we are building day by day with heroism and determination. No test, however difficult it may be, will be able to defeat us.

The only thing left to say is that Cuba is willing to cooperate energetically in the noble undertaking the United Nations has set forth in crime prevention and rehabilitation, because we are convinced of the importance of this work and the need for this cooperation. This is why we deplore the fact that there are those who do not see this need and subordinate it to petty political considerations. We are glad to verify that all our efforts in the field of legal and institutional reform with respect to crime prevention and rehabilitation have been consistent with the postulates and hopes of these congresses and the other UN organizations specializing in these issues.

Once more I want to express our gratitude to the organizers of this event for their tenacious effort to create truly optimal conditions to carry out this work, and express our confidence that the discussions of this meeting will result in significant benefit for all our peoples. Thank you very much. [applause]

## Castro Hosts Reception for Conference Participants

*FL2808115090 Havana Tele Rebelde Network in Spanish 1100 GMT 28 Aug 90*

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, hosted a reception at

the Palace of the Revolution last night for the participants of the Eighth UN Conference on Crime Prevention and Rehabilitation which began in Havana yesterday morning. Members of the diplomatic corps accredited to the country and leaders of our party and government also attended the reception. The commander in chief exchanged views with UN representatives on the development of the first day of work of the conference.

### Subjects Discussed at Crime Conference Viewed

*FL2808193190 Havana Tele Rebelde Network in Spanish 1700 GMT 28 Aug 90*

[Excerpts] [Announcer] The second day of sessions of the Eighth UN Conference on Crime Prevention and Rehabilitation began this morning. Our reporters tell us about it from Havana's Palace of Conventions.

[Reporter] The subject of crime prevention and penal justice within the framework of development: realities and outlooks for international cooperation continued to be discussed at the assembly hall today. Delegates from various countries spoke during this morning's session. In line with the main subject of this conference, world unity for a joint action against crime and its consequences, the speakers discussed the cooperation issue.

The common denominator was the proposal by each delegation of measures, policies, and procedures that strengthen the international community's participation in dealing with crime. Many of these proposals are based on the particular experience of each government, which although they do not intend to make generalizations, they do contribute to one of the most important goals of this meeting, the exchange of views among the countries represented here.

Views were presented in the meeting from such diverse parts of the world as Japan, Islamic Republic of Iran, FRG, and Algeria, among others. As can be seen, they are not only geographically distant countries but they also have different development levels. These differences have unavoidably marked the tone of the remarks and the essence of the recommendations. [passage omitted] [Reporter] The representatives from China, Japan, Australia, Indonesia, the Phillippines, Ukraine, Spain, Finland, and France spoke during the morning session.

One of the most interesting presentations was that of the Chinese delegation. Its representative explained that his government has implemented strict measures to prevent various types of crimes. He talked about the creation of an antiterrorism police unit, the strict inspection of people entering and leaving the country, and the installation of special equipment that protects diplomats. He also said the situation at his country's borders is serious. He noted that in 1889 alone there were 547 violations and that 270 kg of opium and a similar amount of cocaine were seized. [passage omitted]

### Cuba Willing To Cooperate in Fight Against Drugs

*FL2908011890 Havana Television Service in Spanish 0000 GMT 29 Aug 90*

[Text] Jose Amaro, president of the Supreme People's Tribunal of Cuba, today said that international drug trafficking is the most common crime and the phenomenon of organized crime. After speaking to the Committee on Crime and Terrorism [at the Eighth UN Conference on Crime Prevention and Rehabilitation in Havana], Dr. Amaro told Cuban television journalists about our country's willingness to cooperate against this scourge of humanity.

[Begin Amaro recording] There is no organized crime or international drug trafficking in Cuba. However, this does not mean we will not give our full support to confronting these activities.

For example, regarding international drug trafficking, everyone knows that because of Cuba's geographic position, it is almost an obligatory route for drugs going primarily to the United States. Over the past few years, our country has captured more than 400 international drug traffickers and seized dozens of airplanes and ships that have used our jurisdictional waters and airspace. We have seized a considerable amount of drugs, such as cocaine. We have seized more than 5,000 kg of cocaine and tons of marijuana.

We have proven our willingness to cooperate. In some cases, this kind of relationship has been demonstrated to the U.S. Coast Guard, but that has been sporadic and occasional, and I don't think they really want to cooperate in this regard. [end recording]

## Cuba

### Government Announces Fuel Saving Measures

*FL2908121890 Havana Tele Rebelde Network in Spanish 1100 GMT 29 Aug 90*

["Information to the Population"]

[Text] As it is known, the USSR is having difficulties in supplying us with various basic goods we traditionally have received from that brother country. This has had decisive consequences on the economy and our people's consumption.

Aware of the Soviet Government's efforts in attempting to prevent those delays, we have maintained and will attempt to maintain the fulfillment of our exports to the Soviet Union. To achieve this, we have carried out exceptional efforts. In the midst of these high and increasing deficits of Soviet supplies to the country, an extraordinary effort has been made and will continue to be made to solve the problems that may arise so that the population is minimally affected.

The most grave, because of its impact on all activities, is the fuel situation. So far this year, almost 2 million tons of oil and derivatives have not been delivered. It is impossible for such a high deficit, a fifth of the fuel that should be received, to not have serious effects on the functioning of the economy and the country's life.

The sugarcane harvest and many other activities were conducted under pressure because of the fuel shortage. Not a few efforts have been made with the USSR in an attempt to overcome its problems, but this has not been possible so far. The country does not have financial resources in freely convertible currency to get the fuel from other sources, much less now that the oil prices have doubled with the Arab Persian Gulf crisis.

This forces us to adopt, without delay, a number of special measures in accordance with the analyses and studies which have been conducted earlier regarding the different contingencies on what we should do at each stage, according to the amount of fuel we may have available.

The measures, which will begin to be implemented after this information is released, are the following:

To restrict the daily delivery of diesel and gasoline to the state sector and also limit the gasoline that is distributed through vouchers to 50 percent of what was planned for the remainder of the year, including private trucks. The effects this reduction will have on transportation, delivery, and other services will depend on the effectiveness with which we manage the resources.

Beginning in October, to reduce by 30 percent the supply of gas to private vehicles used to transport the family or for personal use.

All enterprises and budgeted units must immediately analyze how to make meaningful shifts in the maximum amount of electric power consumption to nonpeak hours in all activities that are not technologically essential through organizational or other types of measures, working in coordination with the electricity union to ensure limited demand for such hours.

In the case of the livestock-agricultural sector, it is necessary to make maximum reductions during peak hours in activities that consume large amounts of electricity such as electrical irrigation systems, operation of collection centers, etc., without affecting production activities.

The following measures are also included: At the same time, cold storage houses and other operations should take some more measures to shift the greatest possible amount of electric power consumption to hours of nonpeak demand wherever the introduction of such measures is feasible.

In addition, [measures should be taken] to maximize and use motor vehicles as rationally as possible, maximize and efficiently use the stoves at collective mess halls, increase the use of animal power in agriculture, and reduce the investment program planned for this year by concentrating resources on the main economic and social development programs the country is carrying out. Consequently, the production of cement and construction material should be reduced proportionally.

It has been decided not to utilize the first line of the Cienfuegos oil refinery. This project, which for many years our country built in close cooperation with the USSR and with the investment of large resources, is basically completed.

Also, to stop production at the Ernesto Che Guevara nickel plant in Moa taking into account that industry's high energy consumption. In cooperation with the USSR, the country invested large amounts of resources in this project.

Each family unit should reduce by 10 percent the average monthly consumption of electric power using as a base for calculation the consumption for the first six months of 1990. Consumers' noncompliance of this reduction would give rise to establishing one day a week without electricity in the areas of maximum demand. This restriction would be applied following a schedule by areas. Electric power could be cut for a period of no less than 30 days to those who do not comply.

It is essential that the population cooperate fully so that limiting electric power consumption brings the least amount of inconvenience. A similar electric power savings policy will be established for all state and social institutions.

As long as this situation continues, the working Saturday will be suspended in all those activities that do not affect production or services or in activities that do not have

raw materials or resources to carry them out. The measure will be implemented gradually on a case-by-case basis and the workers' salaries will not be affected.

New energy consumption measures will be unavoidable if fuel supply deliveries from the Soviet Union continue to decrease. Since the interruption of supply deliveries from the USSR and other East European countries are not exclusively limited to fuel, the appropriate measures will be adopted and the population will be informed accordingly about each specific situation.

These events that have been developing are beginning to change the life of our country from a normal situation to a special period in peace time. We have to be prepared for it.

### Commentary Outlines Economic Problems, Shortages

*PA2808201690 Havana International Service in Spanish 0000 GMT 26 Aug 90*

[Commentary by Roberto Morejon]

[Text] The Cuban revolution has had economic difficulties throughout its thirty years of existence. These difficulties are currently increasing and could worsen in the future. Foreign supplies sent to us from East Europe, the region with which Cuba has maintained 80 percent of its trade, are either irregular or have been cancelled. Thus, Cuba's cities and peasant communities are suffering from a lack of merchandise and services at present.

Like most Third World countries, Cuba's lack of foreign exchange does not allow it to buy the products it requires in the international market. These products were previously supplied by the former socialist bloc in East Europe, with which we had close ties. The situation is better understood if we add the effects of the U.S. embargo, which has recently become tighter, on the Cuban economy.

We are also having problems with petroleum. The Soviet Union, the island's main petroleum supplier, is suffering setbacks with its petroleum production, and this naturally upsets the supply of petroleum to traditional buyers. The Soviet Union promised to keep its petroleum commitments to Cuba in the immediate future, regardless of political changes in that country. Contingencies, however, are part of our present reality.

Despite the mentioned realities, Cubans are producing more with less. Our achievements in many fields to ensure the country's future development are evident. The Cuban Government has given priority to the economic and services sectors. It has also emphasized scientific research, which is being carried out by the tremendous amount of manpower trained over the past three decades. The government's strategy is to discourage consumerism and promote production and exports. Activities that produce foreign exchange, such as tourism, are also strongly emphasized.

Cuba is able to use its limited resources to promote certain sectors, without taking the social sector into consideration, because for the past 30 years it has made remarkable advances in the fields of health, education, labor, and social welfare. This is Cuba's situation today.

### Minister Says TV Marti Decision Insignificant

*FL2908021290 Havana Radio Reloj Network in Spanish 0140 GMT 29 Aug 90*

[Text] Cuba today described the decision of the U.S. Government to continue with the frustrated television broadcasts toward the island, which began on 27 March, as stupid stubbornness.

White House spokesmen said that President George Bush decided that the broadcasts of the misnomered TV Marti should continue. This decision will release operating funds for fiscal year 1991.

Cuban Communications Minister Manuel Castillo Rebasa dismissed the importance of the event by commenting that it has no political significance because it was evident from the start that the Yankee strategy did not have two stages. [as heard]

The television broadcasts against the island from a military base in southern Florida have remained invisible throughout all of Cuba since they began.

### TV Marti Continuation Noted

*FL2808174090 Havana Radio Rebelde Network in Spanish 1700 GMT 28 Aug 90*

[Station commentary]

[Text] It is easier to catch a liar than a lame man, as the popular saying goes, and in fact investigators from the U.S. Office of Management and Budget have accused the U.S. Information Agency, USIA, of falsifying the audience information of the badly named TV Marti in Cuba. The MIAMI HERALD echoes this revelation, and states that the U.S. Congress was the recipient of inaccurate and manipulated reports with respect to the television audience of the counterrevolutionary television station.

In its report to Congress, USIA calculated at more than one million the number of Cubans that had access to the daily broadcasts of TV Marti. However, the U.S. Office of Management and Budget discovered that many of the people interviewed to establish these supposed viewing levels lied, and said they had seen those programs on days when there were no broadcasts because of problems with the weather conditions. The information the USIA provided to the Bush administration, and that the latter transmitted to Congress, included interviews with controversial visitors who arrived at the Miami airport from Cuba, THE MIAMI HERALD states.

In spite of these revelations, and even though Cuba has shown the infeasibility of the broadcasts, which are jammed a few seconds after they come on the air from

the Florida Keys, the U.S. President said a few hours ago that the counterrevolutionary television station would continue its aggressive attack against our country. Another old saying goes: There are none so blind as those who will not see.

### Radio Notes TV Marti 'Failure'

*FL2808184890 Havana Tele Rebelde Network in Spanish 1700 GMT 28 Aug 90*

[Text] The main Costa Rican dailies admitted today the failure of the U.S. tele-aggression project against Cuba and say the number of Cubans interested in the ill-named TV Marti is minimal. The newspapers LA NACION and LA PRENSA LIBRE, which initially supported the aggression designed during President Reagan's administration, had to admit that the project collapsed.

For its part, the White House reported it will continue the broadcasts although a report issued by congressional investigators this week showed the project's total ineffectiveness.

### Fidel Castro Speaks to Medical Graduates

*FL2808231590 Havana Radio Rebelde Network in Spanish 1717 GMT 28 Aug 90*

[Speech by President Fidel Castro at graduation ceremony at the Havana Higher Institute of Medical Sciences on 27 August—recorded]

[Text] [Applause] This will be the shortest speech of recent times. [laughter] I have come almost spontaneously. Vela [Dr Juan Vela Valdes, rector of the Higher Institute of Medical Sciences] and someone else, everybody, asked me to say something. I said: Before the event begins, I should go there to say that I cannot give a speech. It is not that I am mute or that I have some infection. The thing is that I am suffering from a total lack of time right now. I even thought that this ceremony was going to be at 1800; then I saw in the newspaper that it was going to be at 1900. I have had many activities and I still have more. Today, in a few minutes, I have to meet with more than 1,000 guests attending the crime prevention congress that has been organized by an institution of the UN organization that is here. So there is no way I can get out of it.

It is not that it is a lot of work for me to talk to students. On the contrary; I always like to do so, but I should not be late getting there. And taking into consideration the length of his speech, Vela already spoke for me. He spoke a total of 37 minutes. I said: Vela, how long are you going to talk? He told me 20 minutes with applause and everything. I think it was 37 minutes long. Very good, certainly I am very glad. I think the things he said here are extremely interesting.

Now, if I am going to express something it is the great satisfaction we all feel when we see this graduating class, and everything this graduating class means, as one more step in our country's progress in the field of medicine, where we are already becoming a great power.

This same year, we questioned whether to decrease the number of incoming students. We had already been decreasing it, because despite all the slots we have available in schools, child care centers, and factories in the community, despite this, we have given momentum in this country to medical studies and, in recent years, we have been forced to reduce the number of incoming students every year. We do not want [words indistinct] there are too many doctors, including those who we want to use as a reserve so that the rest can study.

But this year, we have had to admit the same number of students as we did last year. We have not reduced it. Why? Because there is more and more demand for Cuban doctors. So, maybe if we reduce the number a lot now, we would regret it later. But to study this a little bit better, we decided not to reduce the number of incoming university students this year.

And I was saying that everyone is asking us for doctors; the Soviets themselves are asking us for doctors. I say, well, many of them have shown interest in our doctors, in the family doctors, in the experiences of Cuban medicine for factories, hospitals, polyclinics. I say, we do this ourselves. We have our calculations, but it is very difficult at a given time to say, well, we must stop these machines, or slow down the machines, which is what we should do.

But in view of all these circumstances, we have not made any reductions this year. I think, realistically, that we will have to reduce it year by year. And as we reduce the number of those who enter, I think the grades will be even higher, the quality, if you will, of our medical students will be even higher, although the quality is really very good today. We are satisfied with the quality of the medical students.

Everyone is asking for our doctors now. Recently a tragedy occurred in Nicaragua, in the northern region. There were some very heavy rains, great floods, danger of epidemics, and, well, they asked us to send a medical brigade. But even those who were not on the revolution's side asked us for doctors. The authorities themselves who opposed the Sandinists told us they needed doctors.

They asked in various places, as they themselves explained. I think they were in Miami, in the United States, everywhere, and no one gave them even one doctor, not one doctor. I think that one of them offered them a plane ticket for a doctor. When they asked us, in 48 hours they had our medical brigade there. They provided their services there and returned. They have already returned.

There are still a large number of doctors in Nicaragua, at the request of the new government. That is, now it is not only those who have an ideological affinity with us but even those who are our adversaries ask us to send them medical cooperation, and naturally we are not going to

refuse. This is not a matter of ideology; it is a matter of helping people who need these doctors.

In Iran there was also a terrible earthquake. Our people donated blood. Almost all the plasma we had in reserve we sent to Iran, and the people made up for it afterwards. We sent the equivalent of 40,000 blood donations. The 40,000 donations were made in a very orderly way in just a few days. This reflects the awareness of our people, their spirit of solidarity. And there, our doctors, the brigades, were very well received, very well treated. They provided an important service to the populace and left behind a trail of affection in Iran.

Now here we have given awards to a group of comrades who were held prisoner. What can we say about them? Well, they were exemplary prisoners. They behaved.... [changes thought] Someone said they were kidnapped. Well, really they were taken prisoner there. They were not in any war. They were providing medical services to the populace, but forces opposing the government came and took over the town. No one had warned our doctors, and they were carried off.

Really they were well treated. It must be said that they were taken prisoner there. They were not soldiers and they were not in a war. They were treated very well, with great respect, great decency. As they themselves said, those among the ranks of the opposition knew about Cuba, a lot of things about Cuba. They behaved in an exemplary way. They spent several months as prisoners. They kept up their morale, their principles, their dignity, and then they were all released.

Now, I say that any of you may be prisoners in the future, because wherever we are, something happens. [laughter] We go where no one else goes. We go where no one else goes. [repeats] We have many more doctors abroad than the WHO of the United Nations, many more. And they are an extraordinary help to many nations, and the demand is great. That is why we do not know how many doctors we will need. When a doctor carries out an internationalist mission, he also gains a lot. He becomes aware of the problems of the world, of underdevelopment, poverty. He sees real poverty, and he sees real illnesses. They come back more aware, and they are better doctors.

Of course, we must practice internationalism here also, because our doctors are more quickly sent to the end of the world than to Baracoa. [laughter] However, you saw that 170 members of this graduating class are being sent places. They are going to Ciego de Avila, and they are going to Holguin, while the medical schools in those provinces educate their doctors. The best students are doing this. Who gains by this? Havana does, because the people who have spent two years there come back here and they come back with more training, more awareness, and they begin to study their specialty, the specialty that will be the basis for everything else in the future.

We still allow direct specialties, but in the future all the clinical specialties will have to be studied after work as a family doctor. The family doctor thing is a revolution, and we have the privilege of being the only country in the world that has established these programs. Foreigners are really astonished, amazed. They have a growing influence in the country's life, in everything, in the factories, schools, child care centers.

It is an extraordinary revolution that nothing and no one will be able to hold back, because even in a special period we would continue to graduate doctors, and we would continue to establish family doctors. If not, if for some reason we cannot build family doctor houses, they will practice medicine in a garage again, or in a room. We are not going to be discouraged by anything. [applause]

Well, I am going to cite an example that you should know. There is in the....[rephrases] A very serious, critical international crisis has arisen in the Arab Persian Gulf. Great military forces have been concentrated there. We have made a great effort to avoid war, put in our grain of sand for peace, tried to get the conflict resolved without bloodshed. But we have about 250 health workers—doctors, nurses, technicians—in Iraq, 250. It makes no sense to take the doctors out of there even if there is a danger of war. And the doctors do not want to come out; they want to stay there in their places.

We have had doctors there for many years. For many years, during the previous war, they were there providing their services. They provided their services to both the Iraqi and Iranian prisoners who had been captured there. They took care of the health of many people on both sides of the war. Well, our doctors, our health workers are in danger there right now. Their morale is very high. I think that some day we will have to bring them here also, and I think we will also have to give them medals. [applause]

It is inconceivable that, in the midst of the danger of war and when thousands and tens of thousands and maybe hundreds of thousands of people will need medical care, our doctors would leave Iraq. Other technicians in other fields were also there. We have withdrawn them in compliance with the agreements of the Security Council. But the doctors will stay there, running the risks along with the inhabitants they have to care for and that they are caring for.

This says a lot about the morale, prestige, courage, and the revolutionary, internationalist spirit of our health personnel. They were prisoners, but just like them, there are hundreds who could have become prisoners. I am sure they would have behaved the same. There are 250 there now; they could be any of you. They could be any group among the tens of thousands of doctors and nurses our country has. And I am sure than any one of them would know how to fulfill their duty.

These things are great achievements for our revolution and our people, great progress for our nation. It tells us more than any words what the revolution is, and how deep its roots are in our people's hearts, and how determined we are to defend it, and how determined we

are to carry it forward, whatever the difficulties may be. That is why I join everyone in congratulating this contingent of graduates, the third graduating class of the contingent. The contingent began nine years ago and it seems like it was yesterday. Time passes quickly, but time also knows how to reward the hard work of revolutionaries, and the efforts of revolutionaries. [applause]

This year has seen the largest graduating class in our country's history. More than 4,000 doctors have graduated. What a tremendous and impressive effort! There are now about 40,000 of us doctors in this country, and I include myself in the list also because I have worked on this. [laughter, applause] I am not a doctor. I am not a doctor, [repeats himself] but I am a promoter, a promoter [repeats himself] of health programs. Sometimes I have used other terms and I, with great immodesty, have said: I am not a doctor, but I am a health strategist. Just to say something, right? [laughter, applause]

That is why I say there are now 40,000 of us, more or less, right Teja [Public Health Minister Julio Teja]? Well, we have just a little bit more than that. But you don't count Machadito [Dr. Jose Ramon Machado Ventura, member of the Politburo of the Communist Party of Cuba] among the doctors, do you? He left the profession a while ago. However, we have enough doctors so that we can lend some cadres to the party but they must ask permission. If the party wants a family doctor, permission must be received to take him away as a cadre. The other day, the young people wanted to make a family doctor a national cadre. I said: What? I said: Alright, has he finished yet? No, he is in his second year. Very good, I said, when he finishes his specialty, you can take him for a couple of years.

They want to take them. Of course we do not want the doctors not to be cadres. They are intelligent, good cadres, but to take them away from us in the second year is a lack of respect. It is a lack of respect for our profession as doctors and for our family doctors, which is also a specialty. And then since the party has helped there, we rotate them. We bring the doctor back to practice medicine and send another doctor there.

But we have 40,000 doctors. We were left with 3,000 [at the start of the revolution]. So we have how many? We have 10, 12, 13, almost 14 doctors for every one they left us. And those that left, good riddance. Their departure prompted us to undertake this colossal program to develop the medical system. And those who remained and were our teachers have our eternal gratitude. [applause]

That is why I join in the congratulations, and I will keep my word of leaving quickly. It's a good thing my watch is five minutes fast. It gives me time to leave almost running, and do what I have to do. I (?have) to get dressed. I have to try to comb my hair, if possible, because my hair is rebellious and does not cooperate. [laughter] I join in the congratulations and also join with enthusiasm in our glorious slogan of socialism or death, fatherland or death, we will win! [applause]

### Two Asylum-Seekers Leave Spanish Embassy

*FL2808195990 Havana Radio Reloj Network in Spanish 1941 GMT 28 Aug 90*

[Text] Two more Cuban citizens discontinued their illegal action this morning and voluntarily left the Spanish Embassy in Havana. Their names are Raul Jimenez Conde [name as heard] and Maximo Quezada Alonso, who forcibly entered the building occupied by the Spanish Embassy in our country on the morning of 21 July. Both individuals are people without any kind of professional training and of well-known antisocial behavior who acted in this manner in an effort to obtain exceptional treatment to be allowed to emigrate.

Right now, 11 people still remain in the Spanish Embassy in Havana. The Government of Cuba will not give permission to any of them to leave the country nor will it take legal action against them if they cease and desist these actions, as seven other people have done.

### Two Suspected 'Moles' Leave Spanish Embassy

*PA2808152290 Madrid EFE in Spanish 1444 GMT 28 Aug 90*

[Text] Havana, 28 Aug (EFE)—Two of the 13 Cuban refugees who took asylum in the Spanish Embassy in Havana voluntarily left the embassy at 0800 (1200 GMT) today.

Spanish Charge d'Affaires Ignacio Ruiperez told EFE that the two refugees who left are Maximo Quezada Alonso and Raul Jimenez Conte, who were taken in an official embassy vehicle, accompanied by a Spanish policeman, to a part of the city specified by them.

The two Cubans who left the Spanish Embassy belonged to the group who were suspected of having been introduced as moles by the Cuban authorities.

### Dissidents Call for Dialogue With Government

*AU2608191490 Bratislava NARODNA OBRODA in Slovak 17 Aug 90 p 4*

[CTK Havana dispatch: "Need for a Broad Dialogue; Cuban Dissident's Hunger Strike"]

[Text] Havana— Roberto Luque Escalona, a Cuban opposition figure and one of the leading representatives of the Social Democratic Party in exile, completed on Wednesday [15 August] the thirtieth day of his protest hunger strike. The strike is being held in support of the start of a broad political dialogue in Cuba. Members of the Social Democratic Party presented to the CTK correspondent a statement signed by Roberto Luque Escalona, written on the thirtieth day of his hunger strike.

In the statement Escalona writes that he started his hunger strike to draw attention to the urgent need for a broad dialogue that would help deal with the serious economic, political, social, and moral problems in Cuba. The hunger strike is intended to call the attention of all Cubans, at home and in exile, to the need for a nonviolent and rational solution to very grave problems.

The document points out that the Cuban Government has so far rejected all similar calls for a dialogue, which only intensifies the present problems. In the conclusion of his statement Roberto Luque Escalona calls on all forces that are capable of contributing to the start of a political dialogue in Cuba to do so in the interest of the future of this country.

### Consular Relations Agreement Signed With PRC

*FL2808232090 Havana Radio Rebelde Network in Spanish 2304 GMT 28 Aug 90*

[From the "Exclusivo" program]

[Text] Cuba and the PRC have signed an agreement that regulates bilateral consular relations. This ends the working visit in made to that country by Cuban Vice Foreign Minister Oscar Oramas.

Oramas stressed that this agreement is of particular importance. He said that it demonstrates the development of Chinese-Cuban relations and the willingness of both parties to continue expanding them. This accord precedes the establishment of a Cuban consulate in Shanghai, whose port will play an important role in increasing bilateral trade.

Oramas and his delegation will travel from Beijing to the DPRK where they will attend ceremonies marking the 30th anniversary of the establishment of relations between the DPRK and Cuba.

### Argentine Communist Party Leader Arrives

*FL2908024590 Havana Cubavision Network in Spanish 0237 GMT 29 Aug 90*

[Text] Athos Fava, president [as heard] of the Communist Party of Argentina, is visiting our country at the invitation of the Communist Party of Cuba. During his stay in Cuba through 4 September, Athos Fava will attend meetings and tour centers of economic and social development.

### Communist Party of Venezuela Reaffirms Solidarity

*FL2908150290 Havana Tele Rebelde Network in Spanish 1100 GMT 29 Aug 90*

[Text] The eighth congress of the Communist Party of Venezuela has ended in Caracas after its members made an extensive critical analysis of their work and reaffirmed their solidarity with Cuba. The six-day-long congress was attended by 290 delegates from the entire country.

The new Central Committee, composed of 41 members and three alternate members, was elected. The proposed Politburo is headed by Trino Melean as first secretary and Jose Manuel Carrasquel as deputy secretary.

In his closing speech, Melean reaffirmed the decision of the Central Committee and all the members of the party to resolutely support the Cuban revolution.

Coralia Mazar, alternate member of the Communist Party of Cuba Central Committee, headed our country's delegation to the Communist Party of Venezuela congress.

## Dominican Republic

### Communist Party To Participate in 72-Hour Strike

*FL2808180390 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 28 Aug 90*

[Text] The secretary general of the Dominican Communist Party has stated that the members of that organization will support and actively participate in the 72-hour strike called by the labor unions for 10, 11, and 12 September. Narciso Isa Conde said the country runs the risk of having many of these types of protests because of the government's unwillingness to change its economic policy and cancel the measures adopted after the death pact was signed.

The political leader noted that if President Joaquin Balaguer does yield to the people's demands there will not be a 72-strike alone but the movement will be extended. The country runs the risk of having several general strikes and this is a fact if the government does not respond to the demands the labor unions and popular groups are making, concluded Narciso Isa Conde.

### President Meets With Union Representatives

*FL2808182690 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 28 Aug 90*

[Text] President Joaquin Balaguer met for three hours with various labor union representatives at the National Palace's Government Council Hall. The meeting was held to discuss the problems currently affecting Dominican daily life, especially those of the most needy people.

Although no definite agreement was reached at the meeting, President Joaquin Balaguer listened to the remarks made by the labor union representatives and he gave them his point of view. They agreed to hold another round of negotiations.

At the end of the meeting, labor leader Rafael Santos, speaking on behalf of the group, said the meeting was very impartial and that over 19 subjects were discussed. He explained that the main subject discussed was the problem being faced by the members of the Trade Union of the Dominican Power Corporation, Sitracode, and noted that President Balaguer promised to meet with

Sitracode members during the course of this week. The meeting was held in private; no members of the press were allowed to attend.

Rafael Santos explained that a definite agreement was not reached and reiterated that, for the time being, the labor unions and popular organizations are maintaining the 10, 11, and 12 September calls for a strike.

## Haiti

### Trouillot Speaks at Ceremony for New Cabinet

*FL2808163090 Port-au-Prince Radio Antilles Internationales in French 1730 GMT 27 Aug 90*

[Excerpts] Five [as heard] ministers were installed at the National Palace at noon today. Ministers Andre Jean-Louis, agriculture; Carlo Desinor, social affairs; Jean Mainville, commerce and industry; Chavannes Douyon, national education; Alfred Mentor, information; and (Alex) Toussaint, foreign affairs were officially installed today, Monday, during a big ceremony attended by the president of the Republic and the members of the government.

In a speech at this ceremony, attorney Trouillot said there is no constitutional way other than elections to solve the Haitian crisis. [passage omitted]

Listen to an excerpt of this speech.

[Begin Trouillot recording] ...friendly powers, Haitian Armed Forces, ladies and gentlemen, ministers: In the current crisis shaking the nation, undoubtedly a last and vain attempt by those who are nostalgic or by leaders [words indistinct] hostile to change and united in a strange and unexpected way in identical efforts to bring about a general upheaval, the circumstances are hardly appropriate for speeches. Rather, the circumstances call for acts, acts toward attaining the paramount objective.

Whether one likes it or not, it is our most precise duty to arrive at elections, the only constitutional response, as well as the only possible way to solve a particularly difficult situation. The solving of this situation cannot be postponed indefinitely without running serious risks and incurring incalculable consequences at a moment when the nation is called upon to play out what may be its last hand, with and for the population.

In any case, what was entrusted to me was, essentially, the task of arbitrating this rescue. And I will not fall short of the responsibility to assure, all the way to the end, that this (?task) unfolds under the best possible conditions under the sovereign authority of an electoral council which—I am convinced—the desperate and perfidious calls to disregard its patriotic obligations to turn the nation toward democracy will not be able to lead astray.

Let it be understood, here and now, that neither the absence of a government institution [words indistinct] nor the noisy agitation and disorderly and already-winded maneuvers of certain groups, can in any way paralyze or delay the dawning of awareness of the population's profound aspirations to have a definitive government come to power; for only a definitive government—because it will have been voted into office by the population and will have constitutional legitimacy—is capable of fully satisfying everybody's hopes of putting the country back on the right track.

No one could possibly believe that attempts to go against the popular will, the population's orders and hopes, can stop the march forward or seduce the nation into the negative consequences of brigandage and adventurism. The situation is far too serious to keep alive shady and ever-so-dangerous games, obsolete tactics, or miscalculated ambitions.

It must be noted with satisfaction that big political groups that represent a majority of the electorate have understood the requirements of the juncture well and are already at work with a view to participating in the elections scheduled for next 4 November, elections from which there is henceforth no turning back.

The other groups and associations that are still outside reality no longer have any choice but to fall into step and try to make up for the time wasted in unruliness and futile verbosity and in that torrent of hateful and extravagant accusations the dishonest and senseless character of which a balance sheet of the public finances will soon show.

Indeed, to better support destabilization plans, certain people have denounced alleged plundering of public funds and crooked wheelings and dealings by my associates and myself; as if, forgetting the propriety of my life and the dignity of my office, as well as the immaculate robe I wear, I gave myself over, God-only-knows when or how, to dishonorable departures from accepted standards of conduct or complicities.

Ministers, I apologize for mixing in, along with my welcoming words and congratulations for the promise of your devoted collaboration, intimations of calumny and caustic bits of gossip; and for dragging you, right from the beginning, into the middle of the continuous battle in which no one is spared these unfounded accusations, the most incredible spiteful remarks, and the blows below the belt of a political life that is, alas, progressively and increasingly deteriorating.

Thank God, you know what to expect, by agreeing to enter this confused fray in order to one day emerge from it with your heads held high and without a single spot on the exemplary probity of your time in office with, as your only reward, the comforting peace of an impeccably clear conscience.

In the immediate future, we are going to together establish the main lines of the action expected from the respective departments you will henceforth be heading.

Times are hard, and because they are, they require us, by virtue of their very nature and by virtue of our profound awareness of being a people, to rally around our country, which belongs to all of us, and examine it selflessly, setting aside our frustrations, and our pettiness. Haiti certainly deserves this sacrifice. It certainly deserves this surpassing of ourselves. It certainly deserves this solidarity and unity that defined it almost two centuries ago and without which there is no salvation for it.

In 1804, we united to create this country from scratch. Today, it is time we once again found ourselves in order to build Haiti and justify 1804. [end recording]

### AC Rejects New Ministers

*FL2808172790 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 28 Aug 90*

[Text] A press release signed by the UCH, PUCH, PPSC, PNDPH, PAIN, MOP, and Conacom [Union of Haitian Constitutionalists, Unified Party of Haitian Communists, Social Christian People's Party of Haiti, National Democratic Progressive Party of Haiti, National Agricultural and Industrial Party, Movement for the Organization of the Country, and National Congress of Democratic Movements], parties that are members of the Assembly for Concerted Action [AC], says that they most categorically contest the latest appointments of ministers that followed the comprehensive resignation of five ministers of the 13 March government.

This is a new arbitrary and dictatorial act by President Trouillot, which renders her government still more unpopular, illegitimate, and illegal. Consequently, the AC encourages the Haitian people not to respect any decree, act, or measure this government might take; and to mobilize to be ready to follow the AC watchwords that will be forthcoming.

Appreciating the autonomous, independent character of the policy of the Provisional Electoral Council [CEP], the AC thinks it is appropriate for the CEP to continue relentlessly the preparation and technical organization of the electoral process. At the current political juncture, however, they [not further identified] must stop for awhile to be able to do what is necessary so that elections can really be held under good conditions.

This is a new note of protest from the AC informing everyone that the AC rejects the government's latest decision to replace the ministers who resigned.

### Jolibois' PNH Calls For New Government

*FL2808164590 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 28 Aug 90*

[Text] Dr. Sylvan Jolibois' Haitian Nationalist Party [PNH] says the current crisis calls for a new, patriotic, courageous government that will have the people's trust and that is capable of having the law respected, controlling the unpatriotic intrigues of certain groups hostile to change, encouraging the satisfaction of the popular demands, and reestablishing conditions for holding honest, impartial elections that will allow Haiti to arrive at a democracy that is truly stable.

PNH does not authorize any political group or figure to speak in its name. To avoid the catastrophic effects of another bad choice, the PNH contests, as of now, any and all alternatives to which it does not adhere.

### Discord Noted During Political Sector Meeting

*FL2808183090 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 28 Aug 90*

[Text] The People's National Assembly, APN, informs the entire Haitian population of what happened on 27 August at a meeting, called by the Unity Committee for the Respect of the Constitution, of all the organizations in favor of Ertha's [Trouillot] uprooting her cassava plants and moving off the land and a new alternative being chosen.

When the APN representatives arrived at the meeting, Father Antoine Adrien, who was presiding over the meeting, got together with the 17 September People's Organization [OP-17]; Confederation of Haitian Blue-Collar Workers [KOTA]; and Gabriel Miracle, who is a member of the Nationalistic and Progressive Revolutionary Party of Haiti [Panpra], to throw the APN out of the meeting, claiming that APN was never in favor of the alternative of Mrs. Ertha Pascal Trouillot.

APN says that once again it sees how that sector, which is calling for the uprooting of Mrs. Trouillot, has no desire whatsoever to allow the masses to choose their own alternative. APN asks these men if they are seeking to cut another deal behind closed doors with the Haitian Army to give the Haitian people another Ertha Pascal Trouillot, as they did on 10 March 1990.

The APN continues to think that only a people's alternative can bring about total democratization. Thus, APN continues to support the alternative of Father [Jean Bertrand] Aristide, to apply the program of democratization.... [corrects himself] or rather, demacoutization that the population is asking for.

APN asks the population to remain vigilant against all crooked wheeling and dealing by the above sector behind closed doors to impose on the Haitian people another Duvalierist like Ertha Trouillot.

Alone we are weak; together, strong. Francois Pierre-Louis signs this press release for APN.

### Drivers Union Calls For Warning Strike 30 August

*FL2808172290 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 28 Aug 90*

[Text] The public transportation vehicle drivers union for the Port-au-Prince area, the Union Federation of

Transport Workers of the Metropolitan Area [SCTPM], says that their demands have gone unanswered. Their demands have not been satisfied. These demands relate to such things as the price of gasoline, which should not rise but rather drop; the firing of the minister of public works and all his acolytes and their replacement by a general directorate; the allocation of materials such as sand, cement, and so forth to dynamic, patriotic young men who love their country so they can fix all the roads, both the streets in the capital as well as the national highways (?that traverse) provincial towns; and the turning over of both the road signs matter and the trash matter to people who can make these operations work.

Because of all these demands, the union calls on all drivers to participate in a 24-hour warning strike on Thursday 30 August. They say, furthermore, that this strike is to show their rejection of the high cost of living, the trash policy, the policy of squeezing the country dry, the policy of selling out the country, and the policy of insecurity.

Union secretary general Jean Saint-Louis Joseph and union president Cajuste Lexius sign this press release for the SCTPM.

### Civil Aviation Security Committee Created

*FL2808165590 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 28 Aug 90*

[Excerpt] The government created by decree on 27 July a special agency called National Civil Aviation Security Committee [Komite Nasyonal Sekirite Aviasyon Sivil], (Conasac), which will be in charge of assuring a normal level of security for national and international flights. [passage omitted]

## Trinidad and Tobago

### Coup Leader's Wife Appears in Court, Denied Bail

*FL2808185690 Bridgetown CANA in English 1528 GMT 28 Aug 90*

[Text] Port of Spain, Trinidad, Aug 28, CANA—Coup leader Yasin Abu Bakr's wife, Anisa Abu Bakr is to return to court on Thursday after being denied bail at a magistrate's court Monday. Mrs. Bakr, charged along with six other persons with shooting at the police and being in possession of a firearm, appeared before magistrate Beecham Maharaj at the Tunapuna Court. Guyanese attorney, Doodnath Singh will make another attempt to get her out on bail when he goes to a judge in chamber Thursday.

Apart from her arrest on shooting and arms charges, the official Trinidad and Tobago GAZETTE reported last week that Mrs. Bakr was detained under the emergency powers (preventive detention) on the grounds that she had prior knowledge of the July 27 coup attempt. A state of emergency has been enforced since the attempt.

The notice quoted the Acting Justice and National Security Minister Hubert Atwell as saying that Mrs. Bakr and others had "prior knowledge of the intention of her husband, Yasin Abu Bakr... to violently enter and take control of the television station and the Parliament and to hold persons there hostage."

According to the notice, six other people were detained for offences such as having in their possession metal detection devises and a timing devise for bombs and also for "harbouring persons involved in the course of illegal activities."

Two weeks ago the attorney general's office said a review tribunal has been appointed to hear applications from persons detained under the emergency regulations.

## Sending Troops to Gulf is a 'Sign of Solidarity'

*PA2808143890 Mexico City Red Nacional 13 Imevision Television in Spanish 1330 GMT 28 Aug 90*

[Text] If Mexico were to participate in the multinational force in the Persian Gulf, it would be a sign of solidarity to bring peace to the Middle East, Navy Secretary Admiral Luis Carlos Ruano stated. He added that with this action our country would be complying with international treaties established earlier on this matter.

[Begin Ruano recording] Let me put it this way. The large number of troops supporting the UN resolution can lead us directly to peace. [end recording]

Adm. Ruano said President Carlos Salinas de Gortari has clearly outlined Mexico's stance regarding the Persian Gulf conflict. In addition, our country belongs to the UN Security Council and has always abided by international agreements.

[Begin Ruano recording] Mexico belongs to the United Nations, and in giving the sign of solidarity expressed by the president, it is clearly stating its international stance. [end recording]

In conclusion, Adm. Ruano noted that Mexico is not countering its international pacifist stance by participating in the Persian Gulf crisis.

## Government Refuses Faster Trade Negotiations

*PA2808183490 Hamburg DPA in Spanish 1705 GMT 28 Aug 90*

[Text] Mexico City, 28 Aug (DPA)—Mexico ruled out the possibility of speeding up negotiations for the signing of a free trade agreement with the United States, as was suggested by the latter.

The negotiations for the signing of the agreement may not begin before early 1991, out of respect for the legislative systems in both countries, according to the Mexican commerce and industrial development secretary in a response to statements made by U.S. Commerce Secretary Robert Mosbacher, in the sense that the Persian Gulf crisis has made the signing of a bilateral free trade agreement a priority matter for Washington.

However, Mexican Commerce Secretariat advisers pointed out that the energy crisis caused by the conflict in the Middle East represents for Mexico, an important oil exporter, the strengthening of its negotiating position regarding the future signing of a free trade agreement with the United States.

As for the oil industry, sources from the Mexican energy sector said that as a result of the situation in the Persian Gulf, Mexico has received since the beginning of the crisis in that region, 27 days ago, approximately $315 million more than the amount originally stipulated in the August budget.

The sources pointed out that the extra income, resulting from the increase in the price of Mexican oil to a median of $22.85 per barrel, will be used to increase the capacity of oil production in this country, which currently amounts to 2.3 million barrels per day.

Top Mexican Government officials had previously warned against excessive optimism regarding a stable and lasting increase in income resulting from oil exports, and they ruled out any increase in public expenditures along with the current increase in oil prices.

## El Salvador

### Cristiani Interviewed on Dialogue

*PA2908022690 San Salvador Domestic Service in Spanish 0200 GMT 27 Aug 90*

[Interview with President Alfredo Cristiani by Ricardo Rivas and Lorena Koberg; in San Salvador on 24 August—recorded]

[Text] [Koberg] In view of the lack of concrete results in the most recent meeting, the FMLN [Farabundo Marti National Liberation Front] has again begun talking about the possibility of a new offensive. I would like to ask you two questions. First, how probable do you think this is? Second, how much pressure would the FMLN exert with a new offensive against the government?

[Cristiani] Well, first of all, there is some information, especially statements by members of the FMLN at the end of the recent San Jose meeting, and there is some intelligence information about some specific movements by the FMLN. We believe it would again be a totally unnecessary and irrational action. The Salvadoran people want no more violence; they want a serious effort by all to seek an end to the conflict and violence. We believe that to launch a new offensive in our country would represent inhuman treatment of the Salvadoran civilian population. We believe this would be nothing but an irrational action because we have always said we seek peace through the process we are conducting, not out of fear or because we have been threatened by the FMLN, but out of respect for the Salvadoran people, who desire peace. The offensive will not make us change or modify our opinions, much less our stand, which we consider reasonable and consistent with our country's demand for a future of peace and democracy. It would be regrettable if the FMLN should accelerate its violence, because the Salvadoran people are always the most affected.

[Koberg] The latest FMLN proposal pointed out that the guerrillas and the Armed Forces should have comparable strengths. In addition, the FMLN has described the government proposal as inconsistent, while their's is very clear. In view of the stands presented in the most recent round of talks, what do you think about the possibility of reaching an agreement on a short-term basis?

[Cristiani] First, I would like to point out something we said at the beginning of the process in a written note addressed to the UN secretary general, who made it known to the FMLN. We agree that, for a peaceful, democratic society, it is necessary to restructure the Salvadoran Armed Forces, both quantitatively and qualitatively. At no time, however, will we agree to debate with the FMLN the very existence of the Salvadoran Armed Forces. Consequently, this new FMLN proposal is only a step backward. In the Mexico meeting and the first meeting in San Jose, the FMLN presented its views regarding the Armed Forces. Now the FMLN has radicalized and gone backward in its stand, which we think is a strategic move. This step backward is an attempt to slow the process and prevent any concrete accords, perhaps to make the people think the process does not work or to create some kind of disappointment. Of course, it would not be unusual for groups associated with the FMLN to stage street demonstrations to demand a reply from the government. We believe that the government's reply to the FMLN's original stand in Mexico and Costa Rica has been very clear and specific on each of the points raised. Our reply has been well documented. The FMLN even let the government document leak to the media during the first round of talks in San Jose; it was thus made public. In the document, they can see that our views are not inconsistent as they say, but very clear and specific regarding the restructuring of the Armed Forces with an eye on the future. We reject their views and believe that the new FMLN stand is an attempt to create a climate of propaganda, as they say, to justify an increase in violence, such as a new offensive.

I repeat that this is clearly a step back on their part. As you may recall, at the first meeting in San Jose, they were goading the government. They were upset becasue they said that the government had gone back on its word. This is not true. Our position in San Jose was to confirm what we had discussed in Mexico City regarding the various topics. Today the FMLN is completely changing its position. They are putting obstacles in the path of the peace process. I believe we have to analyze the situation in this way; the process is not made up of isolated meetings. The process is a series of continuous meetings which, thank God, will continue in September. Perhaps when we meet, the FMLN will be intransigent. They do not want to see the Salvadoran situation as it really is. They do not want to seek the objectives laid down in the Geneva Agreement, like democracy and respect for human rights. An agreement has already been signed on those topics. Perhaps they took a step back in this meeting because some FMLN groups were not pleased with the document their delegation had signed. This document bars them from doing what they were doing all this time: committing murders and engaging in violent actions that violate civilian rights. They have promised to stop these actions but have not kept their promise.

I believe that is their strategy. I hope the FMLN reconsiders its position and that it will present more rational positions that will open up the possibility for agreements, so that the Salvadoran people can enjoy peace.

[Rivas] From what you say, it seems to me that the FMLN has proposed something that is not negotiable the way it has been presented.

[Cristiani] In this meeting, each commission explained its proposal. The representative of the UN Secretary General heard both positions. He tried to see on which points there were agreements regarding the Armed Forces. I believe that there are some possibilities. However, when we look at the way the FMLN presented its

proposal, we can see that although there is a commitment to secrecy regarding what is being discussed, before they presented their propsal to the UN representative, they had already made it public. This is their strategy. Regarding point number one, which deals with the dissolution of the Armed Forces, I repeat that from the beginning we have said that for us, this is not subject to negotiation and we continue to maintain that position.

[Rivas] Have you met with Alvaro de Soto, representative of the UN Secretary General? What does he think about this last meeting?

[Cristiani] Until now I have not met with him personally. I have only met with the members of our commission, who have met with him. From what I have heard, it is obvious that such a radical change in the FMLN position will not benefit the progress of the peace process. The representative of the UN Secretary General made some proposals on how to handle this situation. He drew up a simplified agenda on the topics to be discussed; they did not include the FMLN proposal. According to the agenda, the FMLN would present its position on several different topics—the same topics that we have been discussing since the meeting in Mexico. However, I believe that the UN representative's position is that this is the way the peace process should evolve. We do not necessarily have to reach agreements at each of the meetings. That does not mean that the process is not advancing.

[Koberg] You said yesterday that the Armed Forces will be revamped according to existing laws. Why have the revamping mechanisms not worked? According to General Larios, these mechanisms already exist in the Armed Forces. Have you thought about going ahead with the revamping process even though no agreement with the FMLN has been reached, or will we have to wait until an agreement is reached?

I believe that there is sometimes the need to provide certain details to try to clarify what is happening. The Armed Forces have an internal procedure for purging its rank and file—that is, removing from its rank and file those individuals who commit abuses or overstep laws or even the military code. If we consider statistics since 1984, there have been over 200 Army officers who have been discharged or turned over to a judge for trial. Among the rank and file there have been over a thousand cases of this kind.

So there has been and there remains a procedure for purifying the rank and file of the Armed Forces. What happens is that many times the situation is politicized. For example, the FMLN position, which seems absolutely ridiculous to us; I cannot find another word to describe it. They say that all the generals and colonels of the Armed Forces must be removed. Logically, they want to decapitate the enemy. The situation may make sense as a strategy for them, but to anyone who sees the country's situation, it is completely illogical. I believe that all the members of the Armed Forces, regardless of rank, position, or situation, must answer to the laws of the Republic. We have clearly stated since 1 June that we cannot tolerate members of the Armed Forces committing abuses or going beyond the law and if there are concrete or specific cases or even cases of corruption, then corresponding measures are taken, whether purely administrative or judicial, as is the case with the Jesuits.

[Koberg] Mr. President, we will broach another point regarding the conflict—the existence of death squads. Opposition leaders continue to show their concern, and that concern is clearly reflected at the international level. In an editorial recently published in the Republic of.... [changes thought] It said: "It seems as if the death squads of the Salvadoran right wing are making impositions on President Cristiani, which has added to the FMLN's radicalization, and will inevitably lead to more violence, death, and destruction." What have you considered doing to completely eliminate the activities of death squads in this country?

[Cristiani] We have proposed that .... [changes thought] First, I urge all those people who talk so carelessly about death squads to present some sort of evidence to allow us to determine the members of the famous death squads. Many have already placed this type of activity within the framework of the violence facing the country and because of this it is easy to claim that there are isolated paramilitary groups and armed groups that are murdering people and causing violence. We urge people to present evidence because we do not want these activities to occur and are willing to eradicate or eliminate these types of practices if they really exist. The topic is very easily used, but there is never anything concrete on the table.

However, we believe that, throughout this entire decade of conflict, the security needs of many people—public officials, businessmen, and even politicians—have already produced a peace process. We must remove all the arms that are today in the hands of civilians so that the exclusive right to use arms is with the Armed Forces—that is, those who have the legal right to bear arms. By eliminating these arms and removing them through laws, regulations, and other actions, I believe that the possibility exists that private violence per se would be eliminated.

Regrettably, there many instances in which, as the result of this violence, private feuds have been settled through violence. This can be eliminated by gradually regulating the possession of firearms. Regarding death squads, however, if anyone, particularly members of the FMLN, who include the subject in their views, knows who they are, let him speak up. The FMLN mentioned two people, one of whom does not even live in the country. We know the other has his bodyguards, but leads no paramilitary groups or anything resembling them.

[Rivas] (?You) and the media have stated that Colonel Vargas has considered the Armed Forces capable of purging itself. Nevertheless, opposition party members

and some Jesuit priests, such as Father Sojeira, in expressing their opinions on the murders of the Jesuit priests, give the impression that the Army is not truly willing to purge itself. In connection with these murders, these sectors have said that there are a number of excuses and errors that do not help in the least in the investigation process. As Commander in Chief of the Armed Forces, do you agree that there is no true willingness to clear up these murders? Why has there been so much delay and why have so many mistakes been made in summoning certain people and so on?

[Cristiani] I would say, Ricardo, that at an institutional and at least at a formal level, the majority of the members of the Armed Forces want an Armed Forces that does not have people who violate the law, commit offenses, or who obtain wealth illegally. I think it is possible to gradually make changes in the structure of the Armed Forces so that there can be self-control and self-assessment to determine who remains professional in the service of the institution and who strays beyond the guidelines and has to be discharged or subjected to some other pertinent measure. As for the Jesuits' case, I believe that since the beginning, the High Command of the Armed Forces clearly said that they supported an investigation and clearing the case up. The Armed Forces have been accused since the beginning, and the High Command has considered it necessary to improve the image of the Armed Forces because of these very same accusations. I consider the investigation to have been very professional. It was described as such by the Spanish, Scotland Yard, and the FBI inspectors, who very accurately determined who was involved in this case. May I repeat, this involvement was determined by a very professional investigation through the evidence collected.

I would say that this demonstrates that the Armed Forces did permit and encourage an investigation of its members. This made it possible to conduct the investigation to where it has advanced so far, even though some people still do not believe that all has been cleared up. I think that in the beginning there were indeed some problems and errors in procedure. The High Command at one point suggested that the magistrate handling the case, instead of summoning Armed Forces members individually, summon them together through the Defense Ministry, specifically the minister, General Larios. I believe that since then, even the judge has said that the Defense Ministry has cooperated in summoning all of those under investigation.

To a certain extent, of the many problems that arose, one in particular remains perhaps the greatest problem—the famous entry logbooks at the Military School. The Armed Forces, through the High Command, asked the Director of the Military School and the head of the Crime Commission to proceed with the investigation to ascertain where those books were. We believe that the investigation was successful. The results were forwarded to the judge and now there is one more suspect. He is not charged with murder, but with activity linked to the case. I believe that there have been problems. Corrective measures have been adopted. This week we met again with the president of the Supreme Court and the judge to see how the High Command can cooperate to help solve this case, which is what some people have been asking for. In unequivocal terms we told the judge that we were seeking justice. We asked that the trial be accelerated in line with existing legal procedures. We asked that it be a fair trial, and that all existing possibilities be exhausted. We said that the High Command would give its full support.

[Rivas] You have mentioned the majority of the Armed Forces. You have also referred to a minority. How much weight does that minority carry, or how much can it do to obstruct the resolution of this and other cases that are facing public opinion?

[Cristiani] Here we would also have to clarify something. Personally, I do not believe that minorites are wrong. There are minorities and majorities in all sectors. That is normal, as long as the majorities and minorities remain within the legal and moral framework in their activities. We do not always have 100 percent support from any group of people. There are always some differences. I believe that obviously those who in some way participate or are involved in committing a crime will not cooperate. Any criminal will try to prevent the people from reaching the conclusion that he is guilty. Therefore, we cannot expect people who are involved in a crime to come out and reveal all the evidence and say everything that happened. On the contrary, they will try to prevent the crime from being solved.

For example, it is not fair to accuse the Armed Forces of burning the logbooks. I mean, those who felt guilty or involved, when they saw that the investigation had started, thought, well, this a piece of evidence, and we must make it disappear. However, that is what someone who is involved would do. It is not an action by the Armed Forces.

[Rivas] However, this makes these people well known. Therefore, it would be easy to arrest them.

[Cristiani] All these people are suspects, and the judge is proceeding with the case. I believe that there are three types of situations—one where there is complicity or lack of cooperation, another being neutral or passive in not saying anything or not offering anything voluntarily, and the third is to voluntarily cooperate.

I believe that perhaps those people who have been protecting or not cooperating in any way and not giving information or in some way hindering the investigation are those who are involved or who were involved in the case.

[Koberg] Mr. President, The case of the Jesuits is an example of a case that is always being referred to by the government, as well as the FMLN. In cases where members of the FMLN might be involved, do you really think that they would be tried by our courts?

[Cristiani] That depends on the will of the FMLN. Our position is based on the following principle—they speak of impunity and we agree with them. We have stated that we completely agree that no one can be above our laws. All citizens, regardless of profession or position, must be subject to the law. In that respect, we believe that the Armed Forces are not the only institution the members of which have to act within the country's legal framework. We believe that all of the country's sectors must fall within this framework. There should be no political impunity. There should be no criminal impunity.

No one should go unpunished. The FMLN has maintained a punitive and recriminating attitude toward the Armed Forces, but we definitely believe that these cases can be cleared up and that we can see to it that legal or judicial procedures are honored to ensure that justice is served in these cases.

However, we do not believe that this is all. There have been many other horrendous crimes, such as the murders of the Jesuit priests and Monsignor Romero, the perpetrators of which must be punished as well. We reject the murders of 15 mayors, the perpetrators of which have not yet been punished, in the same way we reject the murders of the Jesuit priests.

In addition to Msgr. Romero's case, there are also the murder cases of former Jesuit (Francisco Pecorin) and former Presidency Minister Jose Antonio Rodriguez Porth. They like to talk about massacres and use such words to describe incidents, but coming out of vehicles to indiscriminately machine-gun people, killing 13 and wounding 20 others in the process, is indeed a massacre.

We believe that the impunity issue should be discussed in connection with the administration of justice; it should be applied in the same way to all segments of the population, not just one segment.

[Koberg] A human rights agreement was signed at the dialogue meeting even though our country is already the signatory of several other human rights treaties. When top officials of this and previous governments talk about human rights, they vow to respect them. However, these rights are not being respected, and certain groups and segments of the population continue to denounce the violations. What conditions—aside from preexisting ones—will guarantee respect for human rights in El Salvador, that is, apart from the UN Verification Commission?

[Cristiani] I would like to say that the previous government of President Duarte made efforts and that we continue to make efforts to prevent human rights violations in our country. A UN official acknowledged our efforts in his most recent report. We read a CICR [International Red Cross Committee] report, which it drafts periodically, stating that they are pleased to see a decrease in certain kinds of human rights violations and that there has been an improvement.

I believe that this agreement—even though it contains things that are already specified in our judicial framework, Constitution, secondary laws, and international agreements signed by our country—has something to say, especially regarding the UN Verification Commission. It ensures that there will be overall respect for human rights. In other words, no segment of the population should violate the rights of other people.

Not just government actions and not just certain actions in the country constitute human rights violations. For example, demonstrations that result in the destruction of property involves a human rights violation. Often the people participating in these demonstrations show vigor in demanding human rights be respected in our country, yet they violate such rights themselves.

I believe that this is a general problem. I believe that we are doing much and that we could significantly minimize it through agreements and verification measures.

However, something is clear: In practice, there has been no armed conflict in the world without some sort of human rights violations. All wars are inhuman. All wars bring about violence and problems. Our war is not an isolated case. There has been no war without dead and this is a regrettable reality.

We believe that the country's human rights situation could improve significantly as soon as the country's armed confrontation is suspended. I would even dare say that we can rest assured that our country would be on a par with many other democratic countries that are not afflicted with an armed conflict where human rights are fully respected.

This is why we want the armed confrontation suspended as soon as possible, because we believe that this is key to the human rights situation in our country.

[Rivas] President Cristiani, as you know, we have also had the honor of having with us the presidents of Costa Rica and Honduras. President Rafael Leonardo Callejas has said that despite the acts of violence that take place in Guatemala, Nicaragua, and, with greater intensity, El Salvador, the issue of Central American integration cannot be postponed. I would like to ask if your government shares that opinion, even though your government may be busy working on the peace issue.

[Cristiani] I completely agree with President Callejas and with our other Central American colleagues, because we all agreed on it in Antigua, Guatemala. I do not believe we can disregard the economic problems and exclusively concentrate on the conflict in our country—that is, on political matters. We believe that both problems should be dealt with simultaneously, and we have the duty of acting responsibly in economic matters, as well as of pursuing a peace process in our country.

In that regard, I believe that Central American integration is something that will benefit all countries of the region, and I believe that each country has comparative

advantages over other countries. If there is an economic community in our region, these competitive advantages could interact in each country and we could all benefit. President Callejas spoke about energy issues, we spoke about dry docks, the possibility of an exit to the sea—not one that would belong to us—but facilities to make use of the Atlantic coast through Honduran ports, while they would have facilities on the Pacific coast through Salvadoran ports. There are so many advantages that could result from this that I believe we need to work on it.

We also have to work on it from an optimistic point of view in the sense that the conflict must end. Everyone recognizes that this conflict should not exist. It goes against history, according to the presidents of other countries, and it is necessary to end the conflict. We cannot look exclusively at one issue and forget about the economic issues. Unfortunately, in the past, perhaps this was why economic issues were left on the wayside. To a small degree, they were left without controls. The economy was left to drift along. The only controls that were applied were specific controls, such as price controls or attempts to do something fictitious or something that is not real.

I believe that at a given time all Central American countries have to somehow put their houses in order, especially in the area of public finances, because this is the field that creates most of our countries' problems. It would be much easier to put our own houses in order if there were more Central American interaction.

[Rivas] What were the specific measures proposed by the Central American presidents in the Economic Action Plan for Central America, PAECA, if we may know?

[Cristiani] I believe we made overall proposals in different areas in which the presidents think work should be carried out to create a Central American community. We spoke about economic issues; we spoke about creating a regional monetary system; we spoke about tariff systems in the area; we even spoke about free trade, especially regarding food and basic grains; in general, we spoke about everything having to do with the economic aspects of production.

But we also discussed other topics, like immigration. In addition, we talked about electrical connections, something that has been under way thanks to aid from Spain and other foreign countries. We talked of seeking ways for Central Americans to work with and help each other to create an economic bloc, which would make us less weak, since the Central American countries could never expect to be strong economic powers individually. At least if we are unified, we can present a more constructive bloc to deal with other countries.

[Koberg] How much has our country advanced in the process toward achieving integration?

[Cristiani] Different ministers were instructed to work on special commissions in their respective fields from the time of the summit meeting in Antigua, Guatemala, to the next meeting, scheduled for December in Costa Rica. That way, they can take steps in the general areas I mentioned. The economy, public works, and planning ministers, and all the ministries that have to work in different areas have held meetings to seek specific topics for the presidents to analyze at the next summit so that we can begin to take specific steps.

Agreements may already exist on some steps, but we must realize that we cannot take isolated steps. Rather, we must have a package of measures to be implemented simultaneously. The plan was to give shape to this idea through inter-ministerial commissions so that they can, in turn, make specific proposals in Costa Rica.

[Koberg] We had the opportunity to talk to Honduran President Rafael Leonardo Callejas and Costa Rican President Rafael Angel Calderon about the economic experience in their countries—their structural adjustment programs. President Calderon stressed that gradualism and continuity were the features of these programs. On the matter of gradualism, some sectors in our country are demanding that the program be implemented on a more gradual basis, while other economic analysts feel we should have a stronger shock program. Can you tell us what measures you are planning to adopt to ensure continuity in this program, even if the next government is not from your party? How are you seeking a consensus in this respect?

[Cristiani] Speaking solely about President Calderon, Costa Ricans counted on a factor that is almost impossible here [laughs], as you can attest. We talked about the need to do surgery on a sick man, that is, when I took office in 1 June, we found a sick man. The economy was like a sick man. We had two courses of action to follow. We could either continue to inject him with morphine and let time go by knowing that his condition would progressively deteriorate and that he might die, or we could make the difficult and yet more responsible decision to operate.

The period following surgery is painful. Recovery to reach stablity is a very painful period. As President Calderon stated, this period unfortunately always affects the neediest and the weakest. In this respect, I felt that we had to take this course. In this country, it has been impossible to find a consensus, something that allows Cost Rica to say: I will implement this program on a gradual basis, because I can feel assured that no matter what government succeeds this one, the program will be followed. In this country, we have heard only criticism.

No one has seriously studied ways to correct the errors we encountered, such as a huge fiscal deficit, a balance of payment system where we export half of what we import, public finances of the Central Reserves and the Treasury Ministry....[changes thought] We found a negative balance in our reserves, and our foreign debt payments were in arrears. We have to seek the support of other countries to refinance the foreign debt. We will go to the Paris Club, if the Legislative Assembly approves a project we

will submit to refinance our debts, because we were completely behind in our payments.

Other major political forces have lacked the maturity to say that the situation is bad, that something must be done to correct it, and that we had better reach an understanding. That situation would permit greater gradualism here. We have found that to be difficult. Political opposition in our country is not constructive. In fact, we believe it systematically opposes everything. In the face of that situation, we had to prepare a five-year plan, not a nine-year or 10-year plan. As a matter of fact, Calderon stated that the government that will succeed him will continue his program.

We should improve the country's economy in at least four and a half years because the last half year is difficult, since it is an election year. Someone will win the election, and when there is a president-elect, one has to be flexible and permit him to begin making the modifications he seeks.

We believe we had to go through the recovery period. Unfortunately we did not have an option. Nevertheless, our program is gradual. It is not implemented all at once. You can see measures in other countries, such as those taken by Brazilian President Collor de Mello, who froze 80 percent of everyone's savings and told the people that in a couple of years he will return their money. That has not been done here. I believe we have been able to reduce the inflation rate. At this time it is the lowest in Central America, despite the fact that we are experiencing the armed conflict. We always said it was possible to improve our situation in some sectors despite the armed conflict. We believe inflation has been going down. There is much criticism here about the measures causing inflation.

I want to clarify something here and now. The inflation process in the country did not stop just because there was a change of government when we took office on 1 June. In the years before our taking office, the inflation rate was 35 percent. That inflation process was caused by certain imbalances in the economy, such as the fiscal deficit, a currency that was weak compared to foreign currencies, and several other problems. That process was not going to be halted simply by the change in government.

Although the structural adjustment program has temporarily caused an increase in prices, the price increases were going to come about even if we had not taken any measures. The inflation would have continued at the previous rate of about 30 percent. The inflation rate for the past three months has gone down to an average of less than 12 percent per year. I think it is the lowest in Central America. In other words, that painful post-surgical period.... [changes thought] Our's is a small economy that is affected by events abroad. I think inflation has nearly been halted, or at least it will reach the normal levels of industrial countries.

The FMLN offensive obviously delayed the effects of the measures. There was a three-month interruption that caused much trauma to the economy because many resources had to be diverted to rebuild what was damaged by the offensive.

We now have the Iraqi crisis. Petroleum used to be sold at $21 per barrel, but yesterday it reached $32 per barrel. Measures are being adopted. There has been a meeting of economy ministers. Thank God that in our case there was some foresight, and we can, to some extent, withstand the impact of those prices. The government will adopt mechanisms so that the people will not be affected by this hike in oil prices. Of course, one cannot predict whether war will break out or if prices will continue to increase, making it impossible for the government to deal with the situation alone. If those situations do not occur, I believe that the economic programs that have been implemented here, as well as in Costa Rica and by President Callejas in Honduras, are what will be needed to correct these problems.

[Rivas] You have said that the new economic plan, the government structural adjustment plan, would promote competitiveness and efficiency. Is the government achieving this objective, especially regarding competitiveness?

[Cristiani] I believe so. We have a small market. There is not much competitiveness because we have a small economy. A Central American Economic Community represents, however, a great advantage in this regard, because competitiveness is not only determined by the country's local production, but by all Central American production. In that context, economic competitiveness increases and strengthens. We have been opening our economy to the world market. That is how competitiveness can be promoted.

Our customs tariff policy includes a gradual reduction of those tariffs. We are doing this so that we can offer strictly necessary and very relative protection to Salvadoran products. In this way, foreign production also affects local competitiveness. In other words, imports will compete with local products. That not only improves the price situation, but also the quality of our products, because competitiveness would also be based on the product's quality. In my opinion, that favors consumers. We are, however, willing to help our industrial sector adapt to this new plan, because we have been implementing exaggerated protectionism in our country. I am not saying that this exaggerated protectionism is caused by our industrialists, but by past policies. Our industrialists, however, have accepted the challenge of adapting to a new competitive system. It is definitely our duty to help them adapt to this new system. We are, therefore, in the process of adjusting to this new system.

Ricardo, I heard you talking with Honduran President Callejas about the antimonopoly and antidumping laws. We have been discussing whether we need new laws or reforms to our current law. As in the case of Honduras,

as President Callejas said, our Constitution bans monopolistic or oligopolistic practices, which promote the use of fictitious price drops to lead other industries to bankruptcy. All our merchant laws ban that type of practice.

We have been trying to study our merchant laws to make them work more efficiently—in other words, to make them truly operational. We are not sure if we will reform the current laws or issue a new law consolidating all factors that deal with monopolistic practices and the struggle against such practices.

[Rivas] President Cristiani, we have one last question, and it deals with a topic that was clearly discussed in the FMLN communique. Excuse us for changing topics so radically, but we are running out of time. The first thing the FMLN did at the negotiating table was to make a call for the immediate withdrawal of the order issued by the Armed Forces High Command and by you as the commander in chief of the Armed Forces concerning the ban on free movement in some of the country's conflict areas. A while ago you talked a little about this. I would like to know what led you to make that decision and whether this decision violates the San Jose agreement on human rights as (?Dr. Ungo) said.

[Cristiani] I would like to approach this question from two different viewpoints. Anything that deals with free movement in conflict zones can be separated from the agreement on human rights. If we read that agreement carefully, we will see that there are immediate commitments and commitments to be fulfilled once the armed confrontation ends and the verification process begins. Points one and two of that agreement, which are commitments for immediate fulfillment, do not include the issue of free movement in conflict zones. Free movement in conflict zones is included in the commitments to be fulfilled once the armed confrontation ends. In our opinion, our decision does not violate those agreements. The truth is that the question is not whether this prohibition is a violation of the agreement, but that in practice we have to do something where there are war zones and danger to the people. The government is protecting civilians. In other words, members of the Armed Forces must fight and protect civilians in areas where there are armed confrontations.

We have many examples of civilians being harmed by confrontations in those areas. This week in fact there was the regrettable case of a priest who was caught and wounded in cross-fire in Chalatenango Department, I believe. There have been cases of wounded reporters in conflict areas. In addition to protecting civilians, we must also realize that every time a case like that occurs, there is unfortunately an extreme politicalization of it. All kinds of accusations start coming from abroad and that is very regrettable.

These conflict areas are very dangerous for anyone who is not trained to fight or is not part of the fight. We do not want people to enter those areas as long as there is danger. There are areas, however, where there are currently no clashes or confrontations and people are allowed to enter those areas. In other words, these concessions are made according to the degree of danger in the area. We made that decision exclusively to protect the lives of civilians who are not involved in the conflict.

## 233 Casualties Reported Between 8-25 August

*PA2908003990 San Salvador Radio Cadena YSKL in Spanish 1212 GMT 28 Aug 90*

[Text] At least 233 people, including guerrillas, civilians, and soldiers, have been killed or wounded in clashes that have taken place in seven of the 14 Salvadoran departments between 8-25 August, according to rebel and official sources.

Radio Farabundo Marti, the rebel mouthpiece, said that the guerrillas inflicted 187 casualties on the Army in various clashes and attacks against military garrisons carried out between 19-25 August, but it did not provide the number of dead and wounded. It added that among the casualties inflicted on the Army were 20 soldiers from the elite Ramon Belloso Battalion, including Col. Camilo Hernandez, who has been released on bail after having been accused of obstruction of justice during the investigations that are been conducted to clear up the Jesuit murder case. Hernandez was wounded in a clash that took place in northern El Salvador.

The Press Committee of the Armed Forces [Coprefa] reported that 11 soldiers and 10 rebels were killed and 10 soldiers were wounded in clashes between 8-25 August in several parts of El Salvador. Eleven other civilians were wounded when they stepped on mines and bombs planted by the rebels, who also blew up power installations in the Departments of Santa Ana and Cuscatlan, the sources said.

The Army accused the Farabundo Marti National Liberation Front [FMLN] for the kidnapping of 17 peasants, including two women, in the town of San Isidro, Cabanas Department, as a means of recruiting them into the guerrilla ranks. It added that three soldiers were captured during a clash that took place in Chalatenango Department, 80 km north of thhe capital.

The rebels said that two U.S-made helicopters were damaged in that same time period in a military maneuver called: For a Fatherland Without Military Oppressors. The rebels did not specify the place where the helicopters were damaged. It also added that 37 power towers and posts were sabotaged by rebels in that same time period; the sabotaging adversely affected large areas of the country. The clashes and sabotages against the national power infrastructure continue amid talks being held by the government and the guerrillas to try to put an end to more than a decade of war.

### Belloso Battalion Officer Wounded in Attack

*PA2908035490 San Salvador EL DIARIO DE HOY in Spanish 27 Aug 90 pp 10, 49*

[Text] Lieutenant Colonel Jose Camilo Hernandez, Belloso Battalion executive officer, was wounded in the back and head by a grenade during an FMLN-FDR [Farabundo Marti National Liberation Front-Revolutionary Democratic Front] attack against the unit under his command. The attack took place at Cerro Grande or El Cerron at San Jose Las Flores, about 70 km north of San Salvador.

First Lieutenant Jorge Alberto Granados, also of the Belloso Rapid Deployment Infantry Battalion, was wounded in the same incident. Two soldiers were killed.

The wounded officers were rescued by a support helicopter and taken to the military hospital.

Military sources said on 19 August that the attack took place at daybreak on 18 August and that Col. Hernandez's wounds are not extremely serious.

The Army has detected in the San Jose Las Flores area the mobilization of FMLN-FDR terrorists, among whom are mercenaries from Nicaragua that were to take part in the announced FMLN-FDR offensive.

In July, the 4th Penal judge ordered the arrest of Col. Hernadez in connection with the Jesuit murder investigation. Hernandez is accused of involvement in the burning of the log books that registered the entries and exits to the Military School where he was assistant director in November 1989.

He was freed on bail because this was considered a misdemeanor and afterward reinstated to his military unit.

## Guatemala

### Venezuela Says Oil Price Increase Possible

*PA2808162890 Hamburg DPA in Spanish 1531 GMT 28 Aug 90*

[Text] Guatemala City, 28 Aug (DPA)—The Venezuelan Embassy in Guatemala has publicly announced that Venezuela will maintain its oil supply to the five Central American states. The problem of oil scarcity caused by the Mideast conflict prompted Venezuela to increase its production to 300,000 barrels daily to attend to the needs of consumer countries.

However, the investment required to place inactive oil wells in operation may result in a price increase, the amount of which is not known yet.

The Central American oil consumption is approximately 120,000 barrels daily, of which Guatemala consumes approximately 28,000 barrels as the largest importer. The oil supply of the Central American countries is provided by both Venezuela and Mexico under preferential terms, according to the San Jose agreement.

### UCN Mayoral Candidate Murdered in El Quiche

*PA2908024690 Mexico City NOTIMEX in Spanish 0053 GMT 29 Aug 90*

[Text] Guatemala, 28 Aug (NOTIMEX)—Celso Giron Giron, the Union of the National Center's (UCN) mayoral candidate in San Pedro Jocopilas, was murdered today by a group of unidentified individuals in El Quiche Department.

The UCN, which is supporting the presidential candidacy of businessman and journalist Jorge Carpio Nicole, condemned the murder and asked the authorities to immediately carry out an investigation.

Due to the forthcoming 11 November elections, violence in Guatemala has increased. Giron Giron's murder is the second among UCN leaders. The first victim was Deputy Otto Rolando Ruano at the end of July in the eastern part of the country.

The UCN has urged various political organizations to carry out "high level proselytism to safeguard the incipient democratic process," which began in 1985 with the constituent assembly.

Different sectors in the country have expressed concern over the increasing political violence as the time draws near for the election of a president, vice president, mayors, national deputies, and Central American Parliament deputies.

Guatemala's senior Deputy Jose Garcia Bauer recently reported that eight congressional deputies have received anonymous death threats by telephone.

### Cerezo Comments on Americas Watch Report

*PA2908004090 Guatemala City SIGLO VEINTIUNO in Spanish 18 Aug 90 p 40*

[Text] President Vinicio Cerezo has said that there is corruption and leniency in the administration of justice. However, he added that this is not true in all cases. He said there are some cases in which corruption is quite evident, such as the case of the soldiers who planned a coup d'etat and, more recently, the case of eight policemen who were released because of the decision of an appeals court.

The president commented on a report by the Americas Watch organization that criticized the decision of the Fourth Appeals Court that released eight policemen. The police had been accused of kidnapping and murdering two Cunoc [Western University Center] students, identified as Danilo Sergio Alvarado Mejia and Rene Haroldo Leiva Cayax, in October 1987.

Vinicio Cerezo said: We have had problems with the courts. I am not accusing the president of the judicial branch or the judges in particular, but it is a fact that

there have been several cases in which the lower courts sentenced the defendants to prison, and then afterwards, when the rulings were appealed, they were released, changing the original decision.

Cerezo added: The Americas Watch report pointed out two things. First, it expressed concern over the release of the policemen. I share that concern. Secondly, it said that executive branch officials influence the administration of justice; this is absolutely false.

I think there are procedural, corruption, and leniency problems in the administration of justice. The basic problem is the method established for trials. That is why I have mutually agreed with the president of the judicial branch to propose to congress a reform of the Penal Procedural Code. I totally support such a reform, Cerezo added.

We should not be accused of meddling in the administration of justice. The fact that the coupist officers are free, something that we did not want, is proof that we do not meddle, Cerezo stressed.

He admitted that there are flaws in the evidence presented by police investigations but this is being solved with the support of various institutions. In the specific case of the eight policemen, evidence professionally obtained by FBI technicians was presented, so I do not think there are flaws there, he added.

## Honduras

### President Callejas Discusses Fuel Price Increases

*PA2808120790 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 27 Aug 90*

[Italicized passages are recorded]

[Text] Fuel prices will increase in Honduras—as in most countries—because of the conflict in the Persian Gulf that was not expected by Rafael Leonardo Callejas' government. We asked the president: What is happening? When will there be a price increase?

[Callejas] *As soon as we receive an invoice from Venezuela and Mexico. Depending on what prices are quoted, we will make the announcement to the Honduran people. Unfortunately, the Persian Gulf conflict will affect the supply and price of fuels for consumers.*

*However, we are studying the possibility of maintaining a list of prices that will allow us, in the short term, [changes thought] let us hope that the Persian Gulf conflict is resolved soon because petroleum prices are already at their highest levels this decade. There was only one year when prices were higher than their current levels and that was in 1982 during the petroleum crisis.*

*Our plan is to subsidize the price of kerosene in order to prevent increases. If there is any increase, we want to keep diesel price increases as low as possible. However, there will be a strong impact on the price of premium gasoline.*

[Reporter] *Two lempiras? One and a half?*

[Callejas] *That is something that I cannot predict at this moment. However, we have no other option than to pass on the price increases. This will have a dramatic impact on the country. To give you an idea of the increase, a barrel of oil will cost nearly $10 more than the current price.*

[Reporter] *How has this incident in the Persian Gulf affected your government's plans. Did you expect this?*

[Callejas] *One does not expect these circumstances. This will probably delay the implementation of our plans, because the inflow of foreign currency will be limited by the balance of payments deficit that will be generated by a greater outflow of foreign currency.*

*This implies that we should not only monitor prices but also consumption, because there are segments of the population that have not stopped consuming, especially those using high-cost gasoline. Specifically, there has been no significant drop in the consumption of premium and regular gasoline despite their price. This means that we must again modify the behavior of Honduran consumers with a plan that we will be revealing to the Honduran people. We will urge them to save energy.*

*Among the measures that we are planning to implement is a reduction in the consumption not only through normal mechanisms, but also by convincing consumers that they must not use imported petroleum for uses that are perhaps unnecessary.*

The Honduran president was asked whether any measure will be adopted to reduce fuel consumption in the administration:

[Callejas] *In my opinion, the public sector made the most important savings in the country. We doubled gasoline prices but did not increase the Republic's budget for fuel consumption. The government has already reduced its consumption by about 40 percent through its budget.*

*We will of course implement more vigorous measures. Thanks to the work of the public security force, we already have a full inventory of several thousand government vehicles. We will begin to implement resolutions together to ensure that state vehicles are rationally used.*

[Reporter] *The transporters are saying that they will increase urban and inter-urban fares as soon as gasoline prices are increased. Will they be allowed to do this?*

[Callejas] *I have not heard them announce that. Someone made that comment and his comment was repeated, but the transporters have not said that. They should not do so anyway because we will continue to subsidize urban transportation.*

According to the report that Deputy Andres Torres Rodriguez submitted to the full congress, the government has a huge debt with public service institutions—Hondutel [Honduran Telecommunications Enterprise],

NEE [National Enterprise for Electric Power], and Sanaa [National Water and Sewage Service]. Does the government have to pay? We asked Mr. Callejas, and this what he said:

[Callejas] *I am more than willing to pay, and the 1991 budget has earmarked 112 million lempiras to pay for electricity, water, and telephones. The public sector must pay. That allows us to rationalize the government's work and to avoid massive waste by offices that keep their lights and air conditioners on or use water needlessly or carelessly. The rationalization is a requirement that is included in the budget regulations for 1991.*

*This is a vital decision, because it entails the regulation and systematization of the efficiency of autonomous institutions to enable them to receive revenues so that we can measure their financial situation in a very clear manner.*

[Reporter] *Mr. President, are you worried that, while the government is seeking a viable solution so as not to sacrifice the people, professional politicians are launching candidacies regardless of their political party affiliations?*

[Callejas] *Every citizen has the right to freedom of organization, mobilization, and expression, and as long as this behavior does not appear within the ruling party in the form of a self-styled opposition, we are not affected. In this regard, we know perfectly well the names of the candidates who are not working. Above all, the rumors about the names of presidential hopefuls for the National Party of Honduras are mere speculation. They have a commitment to the government, which they are respecting.*

[Reporter] *Taking into consideration that Honduras is the country with the lowest milk prices according to statistical reports we have received, to what extent will the government be able to resist pressure from cattlemen and farmers for an increase in the price of milk?*

[Callejas] *I believe that, to the extent that producers are able to convince the Honduran people of the need for an increase in milk prices, this position will be clearly defined. As long as producers do not achieve this end, the government has decided not to answer this request positively.*

[Reporter] *Then if the cattlemen and farmers request an increase in the price of milk, will you refuse?*

[Callejas] *I have talked to farmers, particulary cattlemen, federations of farmers and cattlemen, and milk-processing plant officials, and I believe that they should clearly convey their message to the Honduran people. At this moment, the government cannot convince the country of this decision.*

*They have to explain their problem and convince the people that an increase in the price of milk may be necessary. However, this is the direct responsibility of organizations of industrial milk producers.*

*The cattlemen should meet with leaders of people's organizations and talk to influential segments of the population, such as professionals and labor unions, to seek concerted agreement on this matter.*

[Reporter] *Mr. President, you talked about an administrative staff reduction in your government. Is this reduction ready? How do you expect to reduce the size of your government in 1991?*

[Callejas] *I expect to reduce the government's payroll by 10 percent. In addition, we hope to reach a concerted agreement on a percentage wage increase to the basic salary of public workers. That is, we are taking two steps at the same time—reducing the payroll and increasing wages, which will ultimately result in a real reduction in the state bureacracy.*

## Nicaragua

### Honduran Commanders Arrive 'To Resume Relations'

*PA2808181090 Paris AFP in Spanish 1720 GMT 28 Aug 90*

[Text] Managua, 28 Aug (AFP)—General Arnulfo Cantarero, commander of the Honduran Armed Forces, arrived here today on a 24-hour visit to "resume relations" with the Nicaraguan Army following "years of estrangement," the officer announced.

Cantarero, who was invited to visit by Sandinist People's Army (EPS) General Humberto Ortega, arrived accompanied by Colonel Roberto Mendoza, commander of the Air Force; Captain Alonso Discua, commander of the Navy; and Colonel Herbert Munguia, chief of military intelligence.

The entourage was greeted at the Sandinist Air Force (FAS) hangar by Gen. Ortega and General Joaquin Cuadra, chief of the general staff.

The Honduran officer is on a mission to strengthen contacts with area colleagues, following visits made weeks ago to Guatemala and El Salvador.

For his part, Ortega stated recently that Nicaragua and Honduras can reach bilateral agreements on border and maritime issues to prevent "greater conflicts" in the future.

Both countries were on the verge of a war in the past decade as a result of the armed struggle of the Nicaraguan contras, whose camps were based in Honduras.

### Radio Democracia To Begin Broadcasting Soon

*PA2808151290 Managua Radio Sandino in Spanish 1200 GMT 28 Aug 90*

[Text] It has been announced that Radio Democracia will go on the air in the next few days. It will operate from Managua on 1030 khz.

The information we have received indicates that two of the owners of Radio Democracia are journalist Allan Tefel and Managua Mayor Arnoldo Aleman Lacayo. These two citizens bought the transmission equipment from Chinandega radio broadcaster Jose Eugenio Castillo, who operated Radio Occidental.

Tefel told this station that the programming of the radio will be in line with the country's political development. He also said that all the formalities to change the names of those assigned the frequency have been carried out at the Telcor [Nicaraguan Telecommunications and Postal Services] radio office, as stipulated by law.

### Cuban Exiles Call for Rebellion Against Castro

*PA2908041090 Panama City ACAN in Spanish 2116 GMT 28 Aug 90*

[Text] Managua, 28 Aug (ACAN-EFE)—Three Cuban leaders exiled in the United States, members of a party that emerged in clandestinity six years ago, today from Nicaragua called for an internal "rebellion" to overthrow Fidel Castro's "tyranny."

Salvador Romani, Ignacio Castro Matus, and Reynaldo Aquit told the press that seven of the 14 leaders of the Cuban Democratic Party (PDC) live in Havana, but their names were not revealed for "security" reasons.

Romani, who identified himself as a Cuban journalist who has lived in exile for 31 years, said that rehearsals for "overthrowing" Castro have been carried out on the outside, but now, he added, his movement seeks "rebellion from the inside."

However, the anti-Castro group denied that their movement intends to occupy Nicaragua as a "platform" to launch a military invasion against Cuba, as happened in the case of the "Bay of Pigs," on 17 April 1961.

The group also rejected any "dialogue" with Fidel Castro's "dictatorship," which it branded "neocolonialist," and added that the Cuban people "have the weapons to overthrow that regime, which denies public liberties and which has sent over a million islanders into exile."

Romani stated that this anti-Castro movement has already received the support of the National Opposition Union (UNO), a coalition of 14 parties that supported Violeta Chamorro's presidential candidacy.

He also said that "Castro's fall is near," although "for the sake of seriousness" he preferred not to fix the date of the fall.

Romani said that Castro "thinks he is a great salmon that can swim against the current," because, while the political map is undergoing changes, Cuba is becoming more and more isolated.

Aquit, who said he is a doctor who was jailed for two years and that his brother was killed by the Cuban regime, explained that "there is great discontent" within the Cuban Armed Forces.

Ignacio Castro, a publicist who works in the United States, said that they decided to make their party's announcement in Nicaragua because, after Violeta Chamorro's electoral victory, there is "a more democratic atmosphere."

### * 'Political' Aspects of Economic Policy Viewed

*90CA0092D Managua BARRICADA in Spanish 20 Jul 90 p 3*

[Article by Ligia Elizondo]

[Text] Perhaps because it is so new, the UNO [National Opposition Union] Government has not yet learned a lesson which more seasoned politicians know as well as their ABC's: Politics must never be separated from economics.

Recent events should make us reflect upon the viability of the new government's economic policy. The outburst of protest from the people that was obviously about to lead to irreversible chaos is nothing more than profound rejection of recent economic measures by the people in general.

It has been thoroughly demonstrated that such measures are against the people and lacking in the most minimal social support, and that the support of the different social sectors is a sine qua non condition for the application of any kind of economic policy in this country.

We all know the Nicaraguan economy has suffered a process of deterioration, that major economic imbalances exist and must be corrected, and that such such adjustment measures have their price.

And yet, what is important to consider is that there are measures which, while correct theoretically, are inapplicable because they are not politically viable, as in the case of measures which, while they meet political objectives, have no economic rationale.

We can take as an example the new government's fiscal policy. It proposes to reduce public spending to contain inflation. This is fine; we have to work to achieve such an objective. Furthermore, it is something we have tried to do for some time. What we cannot do is turn off all spending spigots at the same time and leave the most vulnerable sectors trapped, with no way to survive.

Mass unemployment, reductions in retirement pensions, the suspension of transportation cards, cutting back on medicines, raising rates for basic services, reducing wages daily, eliminating the milk program for children, daily increases in the cost of living: These measures are economic, but the decision about who bears the burden of the cost of such measures is political.

Clearly, all measures named fall squarely on the shoulders of the working class, wage earners, the most unprotected social sectors: the elderly, disabled, children, and the rural and urban poor, among others. They are clearly classist measures and if one thinks they are not, we hereby call on the government to publish the salaries now being paid to high government officials.

Why should one reduce spending when it is a question of programs benefiting the poor, while spending is increased for the new technocracy of wealthy children?

The same can be said about the leasing of land. The fact that enterprises in the publicly owned sector rent land not incorporated into production and that can be leased out to third parties for production has a productive logic we shall not challenge.

What is lacking in any economic rationality is that it is the best land that is leased, land belonging to integrated and highly technical productive systems, land already well managed and that in addition is the fruit of years of work of organized workers. Turning over this land selectively and arbitrarily to individuals solely on the basis of their name is a political decision which has an economic cost that has to be borne by the enterprises and their workers.

The Nicaraguan Revolution was not the invention of a little group of idealists, but rather, the option of a people fed up with injustice. The social inequity implicit in the new government's economic package is what the people are now protesting.

One fact which the UNO government must take into account is that in our country, economic policy cannot be made haphazardly or applied with no heed to the cost.

### * Strike Settlement Explained, Analyzed

*90CA0092A Managua LA PRENSA in Spanish 13 Jul 90 p 4*

[Text] The very essence of the labor question is inherent in the document, which is an attempt to provide a response purely to the labor demands for which purpose the FNT [National Workers Front] began its strike, leaving aside all political elements.

The government's decisions, to be executed immediately, should be reviewed in order:

A. The 43-percent increase in July wages for the government labor sector was already unilaterally conceded by the government on the very day the FNT broke off talks in order to engage in political subversion. The government's progress is significant in that it succeeded in establishing that the increase for the month of August in those same wages "will be based on the government's economic ability."

The wage increases have obviously constituted an uncontrolled drain on inorganically issued money entering the vicious inflationary cycle.

It is therefore doubtful that the government will have the economic capacity to grant as substantial a wage increase in August as it did in July, for which reason we believe that on this issue the government won a point in protecting its economic program.

B. Job stability was one of the key points of the strike. It is possible that for political reasons and in order to strengthen the government workers' decision to obstruct development of the government's economic program, it was mistakenly thought that this same program was based on the massive layoff of state workers.

The spectre of a compaction (massive layoff) of workers, like that of the FSLN [Sandinist National Liberation Front], in accordance with IMF guidelines last year, disproportionately affected labor leaders when they began the strike, and this factor was in turn used to good advantage by FSLN political leaders to shift it toward political aims.

This point has been clarified, however. The government showed that its economic recovery plans do not include any massive layoff of government workers; rather, it seeks their retention on real bases of production and productivity. We shall see later with relation to Point B how such stability is again brought in when emphasis is placed on the need to study and analyze a contingent program of industrial recovery "whose immediate objective will be that of sustaining employment in favor of workers in the textile, metal-machine, and transport workers."

This agreement makes it clear that what is sought is job security, the inherent right of every worker.

The problem, however, is knowing whether the government has been deprived of the right to lay off seditious political leaders who, taking advantage of a justifiable desire on the part of labor to protect workers' jobs and job stability, shifted the movement toward attitudes destructive of public and private property, resulting in the commission of actual crimes punishable by law. In other words, if one interprets the phrase that "all workers who return to their jobs normally have the right to continue in them" as a rough draft and something new, the government would then be committing a gross mistake by keeping among its workers actual criminals who will make a living by attacking its internal security.

We must interpret the phrase "normal return" as the reintegration into their jobs of all those who did not participate in the commission of any crime.

C. Labor amnesty for those laid off after 26 April is a concession probably made in order to give negotiations more fluidity.

D. The point about the concession of transport cards had also already been granted to students and workers who originally enjoyed the right, with the government setting up new mechanisms in distribution in order to prevent the partisan political use previously enjoyed by Sandinists.

E. The payment of the debts of government enterprises is also a government obligation, as a result of which we also deem this point to be irrelevant.

F. Concerning suspension of the provisions of Decree 10-90, permitting the government to lease properties seized to former owners, it has already been explained that applications presented and handled with lease concessions will be approved and published, excluding those submitted after the date of the agreement. This is natural and logical inasmuch as Decree 10-90 was of a temporary, emergency nature for the purpose of taking advantage of the farming season that had already begun with the planting period. Since there is no longer any possibility of planting, particularly in the cotton-growing area for which purpose the emergency was stressed, the purposes of the decree were no longer valid and it ceased having any legal effect.

G. This point is somewhat obscure and reminds us of the hated SNOTS [National Labor and Wage Regulation System]. We truly do not know whether this is what is meant by the "reclassification of posts for the government" of which they speak.

The government also pledged to "study and analyze" the following points:

a. It refers to what we have already seen behind implementation of a contingent program of industrial recovery and rehabilitation "in the textile, metal-machine, and public transportation sectors." This point roused concern among economists, who wonder whether it does not constitute a delay in the privatization program which the government initially designed as the basic pillar of its economic program.

Critics say that in reviving and rehabilitating the government entities noted, all of which have been looted and incompetently managed and which are in a state of complete bankruptcy, what the government would be accepting is the refinancing, through the diversion of funds to such enterprises, of FSLN political leaders. [And that the refinancing would be to enable these leaders] to continue their work, by financing their subversive activities and obstructing the government's right to sell them [government entities] to investors who truly do want to revive and rehabilitate them under distinctly private management.

This fear has been ruled out by the very text of the agreement, which speaks of studying a contingent program. In other words, if they could not be privatized for various reasons, the most important one being that no one wants them, then given such a contingency, officials would study and analyze the possibility of implementing a program to revive and rehabilitate such businesses by the government, without this meaning they would imitate the scenario of waste and looting followed by the Sandinist Government. Furthermore, such a program of contingent rehabilitation does not rule out the possibility of private investment, either through a joint public and private or a distinctly private enterprise using mechanisms other than total privatization.

There are many ways to proceed without denying from the very outset the privatization process which the government deems necessary. Moreover, most of these businesses were nationalized by virtue of Decree 3, meaning they belonged to the Somoza family or high political or military officials of the regime, the restitution of whose property is not being contemplated, because the injustice that may have been committed with them must first be demonstrated.

We believe the government's economic program, based on the UNO [National Opposition Union] government program, has not been affected in any way by the government's acceptance of this point. The creation of the joint committee is for the purpose of studying the program, not implementing it necessarily or in an obligatorily fashion on 16 July.

b. Reference is made here to "tripartisanism" but without further explanation. From statements made by the president, we know her intention to achieve what she calls a "social accord," for which purpose all employers' union sectors and the government are to be called together so they may reach such an accord, which will contribute effectively to national stability.

In other words and based on examples of other countries in crisis, it is a question of reaching agreements normalizing the economic situation by price and wage freezes so as to prevent the government from continuing the insane process of inorganic emissions and provide it with an opportunity for monetary stabilization. This point bothers political parties because there is no mention of consulting with them.

Actually, what must be sought is a socioeconomic rather than necessarily a political accord, with the latter backing one if the former is achieved. Whatever the case, it may be suitable to call in a few political leaders as observers so they may witness deliberations and become acquainted with their content.

The rest of the points of the agreement imposed by the government, such as those forcing FNT unions to comply, are of less importance, unless it be the one that workers return to their jobs and restore social order.

Finally, we believe the government has ended the instability produced by the strike with little sacrifice on its part and definitely without damaging the "sovereignty" bestowed on it by the people's votes for Violeta de Chamorro when they elected her president.

### * Poll Results Favor Economic Policy

*90CA0092E Managua LA PRENSA in Spanish*
*12 Jul 90 p 2*

[Text] The optimism of residents of the capital over the behavior of the economy during the rest of the year has remained steady. Citizens believe the main cause of the

current crisis was inherited from the previous government. They have confidence in the gold cordoba and believe the president of the Central Bank, the mayor of Managua, and the minister of labor are the members of the current administration who have performed the best to date, according to a telephone poll conducted by LA PRENSA on Tuesday.

Some 65 percent of those interviewed for the poll responded that the economic situation will improve during the rest of the year, while 25 percent said they think it will get worse, and 10 percent that it will remain the same. Similar data were obtained in a survey conducted on 27 March, when 67 percent said they were confident the economy would improve in the remaining months of the year.

"International support and the patriotism and technical background of the Cabinet are sufficient to reverse the effect of the harsh measures being taken," one of those polled said.

In answer to the question of what is the main cause of the current economic crisis, 62 percent said "the situation in which the previous government left the country," while 27 percent said "the government's economic policy," and 11 percent blamed strikes over the past two months.

"There are many factors, but corruption and the Sandinist 'take' are the most important ones," was the most general comment.

In addition, some 52 percent said they had total or substantial confidence in the gold cordoba, while 35 percent expressed doubt, saying they had little confidence in the currency, and 13 percent had none at all.

In answer to the question, "Which member of the current administration has done the best job to date?" 22 percent answered Dr. Francisco Mayorga, president of the Central Bank, while 21 percent chose Managua Mayor Arnoldo Aleman, and 13 percent picked Minister of Labor Francisco Rosales. Minister of the Office of President Antonio Lacayo and Minister of Health Ernesto Salmeron were named by 12 percent of those interviewed, while 8 percent mentioned other names, and 13 percent said no one.

### * FSLN 'Arrogance,' Control Blamed for Defeat

*90CA0092B Managua BARRICADA in Spanish*
*3 Jul 90 p 3*

[Article by Gioconda Belli]

[Text] Four months have gone by since the FSLN [Sandinist National Liberation Front] lost the elections.

Now that the initial shock has passed, a shock that deeply affected the FSLN rank and file, it is healthy to begin to socialize what is said about the Sandinists at any informal gathering. There can be no question of slipping into a destructive spiral of criticisms and finger pointing, but until we analyze the election defeat in a balanced manner and draw the lessons for the future, it will be a wound that will not heal.

Just as trees are pruned to make them grow, we must realize that this harsh experience is like a pruning that will help us grow stronger and more united.

One of the first things we might ask is whether the people rejected the FSLN program. I do not believe they did. The banners with which the FSLN triumphed in 1979 continue to be valid and prevail. The people want social justice; they want jobs, housing, health, national dignity, sovereignty, and respect for their human rights. They want to see ethical values such as honesty, integrity in government administration, equality, and solidarity developed in our country.

As one comrade was saying at a recent informal gathering, the "change" which the people wanted was in fact a rejection of the forms used by the FSLN rather than the content of its program. While we can say that this aspiration for change was centered on ending the Patriotic Military Service and economic improvement, we cannot think that these were the only factors affecting the people's votes. One must recognize that the FSLN approach concentrated on strengthening the machinery of power: the party, the government, the Armed Forces, control of mass organizations, often at the cost of their own autonomy and authentic relationship with the rank and file. This concentration of power, which may arguably have been necessary within the logic of forming a national state facing the dynamics of foreign aggression, did in fact result in alienation in communication with the rank and file, a breach of such magnitude that it created the illusion, a phenomenon among the Sandinist rank and file and leadership, of believing that we had won the election victory.

This "certainty" that the people had internalized the campaign issues of the FSLN and would vote for them inherently expresses and did express a certain arrogance in our language, a form which the people rejected. Paradoxically enough, at the same time that Sandinism created in the people a profound sense of freedom, of being able to bring about transformation rather than have them be mere objects of fate, it also practiced a highly absolutist, bombastic rhetoric claiming to own the truth and contradicting the subjective spirit of participation of the masses. In short, it preached and anyone who did not agree was mistaken. This was even evident in the election campaign during which the premature "We won!" reflected among the masses a feeling of arrogance which, to my way of thinking and as one can infer in doing any study of mass psychology, was counterproductive because it did not summon the masses to participate in the "winning," that is, the election victory. Rather, it stated as fact that the victory had already been won and, consequently, that the masses had no other choice but to concur and join in it.

**Importance of Methods**

Furthermore, in my opinion, the "heroic" rhetoric to the effect that "Here we shall all die!" required the development of a mystique which, while it did exist during the early years of the revolution, gradually eroded with social practice and the accommodations of government. People came to perceive that there were differences, strata, and privileges, and that while one could count on the people to make sacrifices, their opinions were not always taken into account and the channels for democratic participation at the grass-roots level were gradually bureaucratized, with growing distance between what the rank and file thought and felt and what the intermediate levels of leadership thought they should think and feel. The breach was of such magnitude that the illusion of belief was created, a phenomenon among the rank and file and Sandinist leadership, that election victory was certain. The difference between the two perceptions was further accentuated once again by the way in which power was exercised within the different FSLN structures. Springing from a guerrilla army and headed for war soon after taking power, we Sandinists were more centralistic than democratic, and internal criticism was seriously affected by authoritarian styles assumed vis-a-vis valid and well-grounded positions of those doing the criticizing. This affected the feedback that should have taken place between the rank and file and leadership: The "line" was the "line" and had to be complied with. The "line" was that we were going to win the elections and no one dared question the fact, although now, a posteriori, many comrades tell of the doubts and concerns they harbored but did not dare express, or learned a bitter lesson if they did.

Whatever the case, it is not a question here of drawing up a long list of faults—although we should not be afraid to recognize them, for to fail to do so would not be a very revolutionary attitude—but the very future of the FSLN depends on the existence of discussion, clarification, and allowing the rank and file to let loose with the whole accumulated flow of positive and negative experiences, which will in turn generate new paths of development pointing toward the recovery of power, not just in coming elections, but the only revolutionary power possible: power springing from the masses based on common interests and humanistic aspirations of peace and development. Now is the time to begin, individually and collectively, boldly and constructively, to make assessments enabling us to see ourselves in the mirror of reality and generate measures based on which we may nourish our action and get feedback from the masses, learning from them, their feelings and concerns, without trying to impose our own idea of the truth on them, arrogantly or even with good intentions.

## * Sandinist Strikes, Tactics Reflect 'Somozism'

*90CA0092C Managua LA PRENSA in Spanish 2 Jul 90 p 4*

[Text] Former President Ortega accepted "his withdrawal" from political life in a monotonous speech asking for the death of Somozism and in which, either ironically or a cruel mockery of life, it seemed he was precisely referring to the regime that had just ended, condemned by the people's votes.

It is interesting to observe that this voice, which once again denounces Somozism, could do nothing against that system during the 10 years it headed the government. For reasons that should be the object of a more thorough analysis, Somoza himself disappeared, but Sandinism embodied the very essence of a new Somozism, renewed and more intense, more ambitious, and even more scientific, some accurately say. Unfortunately, Ortega was powerless against the Somozism of the Sandinists!

For the people there was no difference between the two concepts and they said so in any public demonstration they could: "Ortega and Somoza are the same thing!" ran one of the most popular slogans during the election campaign that said "No" to Sandinism and "No" to Somozism.

We are expressing these thoughts, not for the purpose of once again drawing parallels between Sandinism and Somozism, of which there are many, but because we are aware that both systems, in spite of their horrors and errors, still have supporters who, while they have no possibility of occupying any place in the emerging democracy, are making attacks on it and on the building of peace.

Given their failure, they now seek unpatriotic outlets and, in the last instance, once again become mere promoters of that Somozism which they revive with their insulting language and—along with the memory of hate—rehatch wornout facts and situations aimed at obstructing the necessary establishment of a new system.

Those who seek to do so refuse to accept the fact that their power is over and hide behind false trade union pretexts to instigate strikes, insubordination, and the occupation of buildings and land, thereby preventing the economic and social reconstruction of the country and the establishment of peace.

Somozism is sought by those political leaders who sabotage any measure, without understanding that in the construction of democracy one must act cautiously, without any hasty steps that could be deadly for the future stabilization of the very democracy that is our highest aspiration.

The Somocists are those who handed out weapons and threaten to use them against defenseless citizens when the longed-for circumstances arise.

Press media that serve up slander and maliciousness, sow discord, pour out venom and long for a return to anarchy as the only environment for easy survival, are still trying to maintain the Somozism which the Sandinists were unable to extirpate.

The people voted for an end once and for all to the Somocist tyranny born again in Sandinism. It is now the Somozism existing within his own party that former President Ortega should fight.

## Panama

### Endara Not To Negotiate Extension of U.S. Bases

*PA2908004290 Hamburg DPA in Spanish 2319 GMT 28 Aug 90*

[Text] Panama City, 28 Aug (DPA)—Panamanian Foreign Minister Julio Linares told a local radio station today that President Guillermo Endara will not sign a new treaty prolonging the U.S. military presence after the year 2000.

Linares, who rejected reports about a project to maintain and justify the U.S. military presence, reiterated that the government will not extend the use of the bases that the United States has along the banks of the Panama Canal and that, according to the Torrijos-Carter Treaties, must be dismantled on 31 December [1999].

Linares stressed that the discussion of such matters must be up to the governments that assume office after 1994 when Endara's term expires.

"It would be absurd to negotiate now a matter that, in the best of the cases, will go into effect nine years from now," the foreign minister remarked. He added: "If we were to do that, we would be acting rashly and be the subjects of well-deserved criticism."

The United States has several defense sites in the canal area, including Howard Air Force Base, Rodman Naval Station, the Galeta Island Electronic Center, as well as Forts Sherman, Clayton, Kobbe, and Davis.

### Linares Supports U.S. Navy Training Ships

*PA2808225290 Panama City Circuito RPC Television in Spanish 2300 GMT 21 Aug 90*

[Text] Foreign Minister Julio Linares said today that he does not regard it as humiliating for Panama that U.S. Navy training ships should teach Panamanian sailors to patrol our coasts.

[Begin recording] [Linares] A preliminary plan was submitted that permits U.S. ships to patrol under certain conditions. I opposed the plan and suggested that instead of having U.S. ships patrol, Panamanian ships should perform this task, with the participation of U.S. training ships. My suggestion was accepted. Nobody wants the United States to conduct the patrolling, but we must bear in mind that there are pirate ships in our seas that have carried out kidnappings. Some of the victims have not yet been found.

I do not see how it can be humiliating for Panama to have U.S. training ships drill Panamanian sailors. The Panamanian ships can patrol our coasts becuase of the cooperation that these U.S. ships can provide.

[Reporter] Are we to understand that our current Public Force [FP] is not up to the task of protecting our coasts?

[Linares] I do not want to comment on whether or not the FP is up to the task. We have to face the facts. We often hear the view that the U.S. invaded and occupied the country in order to achieve certain objectives, which in most cases are unfavorable to the government. We forget that the U.S. invasion and occupation destroyed the Defense Forces. [end recording]

### Banking President on Agreement With U.S.

*PA2908003890 Panama City Radio KW Continente in Spanish 1200 GMT 28 Aug 90*

[Text] Panama Banking Association President Edgardo Lasso Valdes has said that the reactivation of Panama's economy affects the banking sector. Both local depositors as well as foreign bankers have regained confidence in Panama's banking sector after eight months of democracy. However, it is necessary to maintain political stability, and for this reactivation to continue, the Middle East crisis must not worsen.

The Panamanian and U.S. Governments signed an agreement that could harm Panama's banking sector. The agreement involves loans from AID. Edgardo Lasso Valdes added:

[Beging Lasso recording] Obviously, any agreement signed between the Panamanian and U.S. Governments is going to affect the banking system and the Panamanian economy. All we ask of the government of Panama is that when it comes time to sign this agreement, it should bear in mind the country's interests and make sure this agreement will not unduly affect the Panamanian banking sector and set back the economic reactivation that is now taking place. We believe it is important to demonstrate that the banking center wants to cooperate and clean away all the criminals that may use the banks. These criminals, in fact, use banks all over the world. We must try to prevent them from using the banks here—but not to the extent that decent people do not use the banks because they are scared that their accounts may be investigated even though they have not committed any crime. [end recording]

### Legislator Accuses U.S. Embassy of 'Plotting'

*PA2908035290 Hamburg DPA in Spanish 0217 GMT 29 Aug 90*

[Text] Panama City, 28 Aug (DPA)—Miguel Bush, Panamanian opposition parliamentarian, today accused the U.S. Embassy of "plotting" through a public opinion poll—which was published by the local media and indicates the low popularity of Guillermo Endara's government—so that the 1994 presidential elections can be held ahead of time.

Bush, a member of the formerly ruling Democratic Revolutionary Party [PRD], added that the U.S. Embassy is attempting to have Nicolas Ardito Barletta, former president and former World Bank director, rise to power.

The firm Dichter and Neira recently conducted an opinion poll of 800 Panamanians residing in the country's largest cities. The results of the poll indicate that the low popularity of both the government and opposition parties opens a political space for a "third force" similar to the one that Peruvian President Alberto Fujimori promoted in Peru. This "third force" would receive great support in Panama.

According to Bush, the United States is trying to give impetus to another group so that the new elections can be held ahead of time because Endara's government is unable to implement an economic strategy for the international credit organizations.

The PRD legislator said that the U.S. Embassy is planning to include in this "third force," which would tentatively be called "Broad Nationalist Front [FAN]," former General Ruben Dario Paredes; J.J. Vallarino, an industrialist; a sector of the Civic Crusade; Juan Materno Vasquez, fromer adviser of the late General Omar Torrijos; Carlos Lopez Guevara, former negotiator of the Canal Treaties; PRD leaders Oyden Ortega and Adolfo Ahumada; and former President Ricardo de la Espriella.

Bush thinks the presidential candidate of the "third force" would be Ardito Barletta, who was ousted by General Manuel Antonio Noriega in September 1985.

## Bulletin Confirms Arias-Ford 'Brotherhood'

*PA2808191790 Panama City LA ESTRELLA DE PANAMA in Spanish 28 Aug 90 p A-1*

[Text] A brief communique issued by the Secretariat of Information of the Presidency of the Republic has reports the following: "Demonstrating that the unity of the alliance is more consolidated, Vice Presidents Ricardo Arias Calderon and Guillermo Ford embraced during the latest meeting of the Cabinet Council, at which members of the Budget Commission of the Legislative Assembly were present."

"The two vice presidents may have differing views, but this is part of democracy. Both maintain their friendship and brotherhood, as was demonstrated during the latest meeting of the Cabinet Council, which was chaired by President Guillermo Endara," the presidential press release adds.

## Leader of Professors' Association on Government

*PA2908022890 Panama City EL SIGLO in Spanish 28 Aug 90*

[Report by Yali Enrique Pitti]

[Text] President Endara Galimany's government is promoting its own downfall or a new military coup in view of its inability to resolve the most pressing problems of the Panamanian people, Professor Nestor Mendez, leader of the Association of Professors of the Republic, has stated.

Nestor Mendez also said that the leaders of the government once again demonstrated their inability to resolve anything when they chose not to engage in dialogue with the professors and students after the recent conflicts took place at the National Institute, where Public Force riot policemen began firing birdshot inside the institute. Later the students' water supply and power were cut off, as if the students were guerrillas.

Regarding the conflict between the professors and education authorities, as a result of Education Minister Ada de Gordon's nonpayment of the teachers' accrued pay increases, Mendez explained that this is one of the reasons the professors' association will stage a march tomorrow, Wednesday [August 30], with the participation of all the country's educators.

Referring to the problems that the students and professors are having with the current government, Mendez said that the National Institute students were "fired on with birdshot," had their water supply and electricity cut, yet Fito Duque [LA ESTRELLA director] "is free and they haven't been able to grab him to put him behind bars," he said.

The leader of the teachers said that now that a democracy has replaced a dictatorship, it does not want to recognize the struggle of the teachers—the social group that has really broken its back in the streets and not at home in order to have democracy prevail.

Nestor Mendez strongly criticized the national government for maintaining some war decrees and laws created by the Noriega dictatorship. According to Mendez, all of those criminals who stole public funds have not been arrested. Among those, he mentioned Former President Solis Palma, "one of the persons who has caused great harm to our country and is going around scot-free," he noted.

## Education Ministry Communique on Schools Opening

*PA2908023090 Panama City Circuito RPC Television in Spanish 2336 GMT 28 Aug 90*

[Text] A few minutes ago, our editors' office received a communique from the Education Ministry which reads as follows:

The Education Ministry informs parents, teachers, students, and citizens in general that tomorrow, Wednesday 29 August, is a normal work day in the schools and colleges of the country and that it has not issued any orders to suspend classes on that date.

As a preventive measure, the Education Ministry informs teachers, students, and administrators of the Official Night School, which operates in the building of the National Institute, that classes are suspended only in

that school until the problem of the National Institute, which has been temporarily closed, is solved.

The Education Ministry's communique adds that, since the ministry is committed to providing education in democracy and assisting in national reconstruction and reconciliation, classes must continue without any interruptions in the rest of the country's schools.

[Signed] Education Minister Ada de Gordon

### Businessmen Predict Widespread Looting, Bloodshed

*PA2908030190 Panama City ACAN in Spanish 2151 GMT 28 Aug 90*

[Text] Panama City, 28 Aug (ACAN-EFE)—Panamanian businessmen are afraid that the student riots that occurred last week might lead to widespread looting, similar to what occurred following the U.S. invasion on 20 December 1989, causing losses of approximately $2 billion.

Ricardo Aleman, president of the Chamber of Commerce, Industry, and Agriculture, told ACAN-EFE today that various business groups have warned the government that this possibility would represent the last blow to the country's already depressed economy.

Aleman warned that the most painful thing in this case would be the "great loss of human lives because the private sector is prepared to defend its interests," meaning that businessmen are arming themselves to counter the pillaging.

Proof of this, he said, is that during the Friday 24 August riots in the capital's main avenues, several businessmen fired weapons in the air to dissuade the attackers who began to rob pedestrians and stores.

Following the U.S. invasion, tens of thousands of persons looted most of the businesses, enterprises, and stores in the Panamanian capital, causing many enterprises to go bankrupt.

The businessmen demand from the government greater "firmness" in controlling the student riots, which—according to official and private sector sources—are the work of "small leftist groups" that supported Manuel Antonio Noriega's ousted regime.

Deputy Planning and Economic Policy Minister Bolivar Pariente told ACAN-EFE today that the student riots—during which dozens of people suffered from birdshot wounds and property was damaged—have been "planned by leftist groups" and those who were ousted from power.

Panamanian President Guillermo Endara said this weekend that the students are being "incited" by groups who he did not identify, but which Education Minister Ada de Gordon today termed as "communists."

Pariente said that leftist groups that "fully identify with Noriega" are trying to "preclude normal business activities" with the intention of "destabilizing" the Endara Government and discouraging investors.

### 19 Labor Unions Reject Ford's Economic Plan

*PA2908044490 Panama City LA PRENSA in Spanish 25 Aug 90 p 12A*

[Report by Manuel Alvarez Cedeno]

[Text] Nineteen labor organizations that struggled against the deposed regime of Manuel Antonio Noriega have rejected the government's economic plan and will present a parallel economic proposal today.

Mariano Mena, coordinator of the General Coordinating Board of Panamanian Workers (CGTP), said yesterday that the government proposal—as it stands now—is not the most beneficial measure for the labor movement.

The labor leader made these statements on the morning of 24 August during the inauguration of the first national CGTP conference, which will end today.

Mena said: "It is the Panamanian workers who will pay the consequences of that proposal because of the Labor Code reforms it includes."

Mena indicated that the proposal presented by Planning and Economic Policy Minister Guillermo Ford has "a great number of negative aspects."

Further on, Mena said that the CGTP conference will issue a parallel proposal that will respond to the interests of the workers and the country.

The labor leader said that the government proposal is part of a neoliberal policy being implemented all through Latin America.

Mena criticized the fact that Ford is holding meetings with "pseudo labor leaders, such as Mauro Murillo and Julio Pinzon, who were supporters of the deposed military regime."

President Guillermo Endara and his wife Ana Mae, Government and Justice Minister Ricardo Arias Calderon, Labor Minister Jorge Rosas, and other high-ranking government officials attended the inauguration of the CGTP conference.

Mena said the CGTP's duty is to help public employees who suffered during the military regime and "still continue to suffer."

The labor leader added: "It is difficult to solve in eight months the problems that were created over 21 years, but during the last few months, the working class has received the harsher blows of the crisis and still continues to suffer."

As for the labor code, Mena said that the CGTP has the challenge of defending our achievements, some of which

disappeared with the three most recent labor reforms. Now the plan is demanding more reform.

Meanwhile, Labor Minister Rosas said that Endara's government is aware that the current problems can only be solved if all of the country's groups make concerted efforts to find solutions.

### Paper Implicates Endara in Bank Scandal

*PA2908034990 Panama City EL SIGLO in Spanish 23 Aug 90 pp 1, 11*

[Text] As a result of a statement presented by the U.S. Drug Enforcement Administration (DEA) on 12 January concerning the laundering of millions of dollars by a group of banks established in Panama, one of them, which was alerted by "someone" in the Panamanian Attorney General's Office, tried to change the personality and image of one of the banks that were in trouble. We are referring to Banco Interoceanico, also known as Interbanco.

Interbanco had opened many branches in Panama City and throughout the country without having any major volume of operation. Spanish narcotics officials have linked this bank to well-known Honduran drug trafficker Juan Ramon Mata Ballesteros, who is now serving a sentence in a U.S. federal prison, and to the Asturian hotel business group Fernandez Espina. The Fernandez Espina group owns the Soloy Hotel and the Alamo Hotel on Via Brazil across from Idaan [National Water and Sanitation Institute] in Panama, and is now involved in a "joint venture" [preceding two words in English] involving the Panama Hotel.

According to the DEA statement, Interbanco used to launder the money of Gilberto Rodriguez Orejuela. It adds that up until 12 January of this year, the bank had $12 million belonging to that Colombian drug lord.

The visible faces of Interbanco for many years were Colombian Guillermo Ronderos Duran and Panamanian Ernesto (Tito) Vega Ruiz, the bank's president and vice president, respectively.

However, it is surprising to note that Guillermo Endara Galimany, the current Panamanian president, was the secretary of Interbanco and one of the members of the bank's board of directors. These were the same positions occupied by Attorney General Rogelio Cruz at the First Interamericas Bank owned by Gilberto Rodriguez Orejuela.

Servile ministers of the dictatorship's government, such as Jorge Eduardo Ritter and Rodolfo Chiari De Leon, also appear along with Endara as directors and officers. How do you explain that the "leader" of a fierce struggle against military tyranny would join forces with the sworn enemies of the Panamanian people?

To prove the truth of this, we reprint the certificate issued by the Public Registry's General Directorate on 22 February, which reads as follows:

We hereby certify that the company Banco Interoceanico de Panama S.A., Interbanco, has been registered in Book 752, Page 397, Entry 137524 of the Mercantile Persons' Section as of 5 October 1970; updated to Microfilm 8511, Reel 338, Frame 130 of the Mercantile Microfilm Section.

That the company is in good standing and its subscribers are:

1- Galileo Soliz

2- Guillermo Endara Galimany.

That its directors are:

1- Guillermo Ronderos Duran

2- Ernesto Vega Ruiz

3- Guillermo Endara Galimany

4- Jose Cardona Mas

5- Jorge Eduardo Ritter

6- Rodolfo Chiari De Leon

That its officers are:

Guillermo Ronderos Duran, President

Ernesto Vega Ruiz, Executive Vice President

Jose Cardona Mas, Treasurer

Guillermo Endara Galimany, Secretary

Ernesto Vega Ruiz, Assistant Secretary

Ernesto Vega Ruiz, General Manager

That its legal representation will be:

President Guillermo Ronderos Duran

Executive Vice President Ernesto Vega Ruiz

Should the president and vice president be absent, General Manager Ernesto Vega Ruiz will serve in this capacity.

That its legal agent is law firm Solis, Endara, and Delgado; its capital is 10 million balboas; its duration is permament; its address is Panama.

Issued and signed in the city of Panama, on 26 February 1990, at 1333.

Signed Mayra G. de Williams, certifier.

However, Interbanco branched out into other investment areas, and in common accord with criminal Rodolfo Chiari de Leon [former government minister], who is now a fugitive, it bought, for almost half a million balboas, Radio Ritmo, which had been in the service of the dictatorship. Now, "countryman" Hernan Delgado Quintero, a partner in Endara's law firm, has purchased

that radio station. Did the racketeering bank purchase another news media? For what purpose?

After "laundering" perhaps hundreds of millions of dollars for Colombian and Spanish drug traffickers, Interbanco is now laundering it own facade. For that purpose it has filed a request to change its name, and announced the following directors and top officials, some of them men with honorable reputations. But, EL SIGLO asks: Do these people know they are being used to launder a mafia bank?

New board of directors and officials:

Carlos Gonzalez de la Lastra, President

Ernesto Vega Ruiz, Vice President

Jose Miguel Aleman, Secretary

Mario Fonseca Lopez, Assistant Secretary

Rodolfo Endara, Treasurer

It was also announced that Colombian Guillermo Ronderos Duran, the bank's president for life, "transferred" all his shares, worth 10 million balboas, to be "distributed"—it is not known if freely—among a group of shareholders, as follows:

Five percent to Blancotra, Inc., Joaquin Fernando Franco; 25 percent to Portfolio Holding Corporation, Carlos Ernesto Gonzalez de la Lastra; 25 percent to Kervun Intercontinental, Inc., Hernan Delgado Quintero; 15 percent to Mimar, Inc., Rodolfo Endara; 16 percent to Inversiones Ever, Ernesto Vega Ruiz; 12 percent to Jose Miguel Aleman; two percent to Endamany, Inc., Guillermo Endara Galimany. [percentages as published]

Was Guillermo Endara Galimany aware that the bank he worked for was involved in drug trafficking...? Was our president a victim of his partners Hernan Delgado Quintero and Menalco Solis...? Who is going to open this Pandora's box?

## Argentina

### Congress To Decide Troop Involvement in Gulf

*PY2908002090 Buenos Aires BUENOS AIRES HERALD in English 28 Aug 90 p 11*

[Text] (DYN-NA)—Presidential spokesman Humberto Toledo yesterday said "the Argentine parliament will decide whether or not Argentina will become involved in the Persian Gulf conflict." However, he confirmed that the sending of troops hinged on a United Nations request in which case the first step would be to consult with the Armed Forces and the final decision would be in the hands of Congress.

When asked if President Menem would make a statement on this subject, Toledo responded that "they're waiting for a decision from the UN."

However, in an interview with a Chilean newspaper, President Menem stated that "the Armed Forces are ready" and "want to go."

Menem said that if troops were sent to the Persian Gulf, they would be men "with great experience in the matter, not only from the South Atlantic war, but those who have been in similar missions where there have been confrontations."

However, the despatch of Argentine troops to the Persian Gulf has raised several criticisms. Lower House Radical bloc leader Cesar Jaroslavsky announced parliamentary treatment of this issue was "imminent" and pronounced himself against any "voluntary action" without an order from the United Nations.

Meanwhile, Deputy Guillermo Estevez Boero (Socialist-Santa Fe) has drawn up a petition backed up by several Radical, Peronist, Intransigent and Christian Democrat legislators rejecting the deployment of troops in the Persian Gulf.

In other criticism, provincial Radical Senator Eduardo Rabellino described as "patriotic irresponsibility" Menem's decision to send troops if necessary. He warned that "the President's intention to ingratiate himself with the United States and the concentrated groups of world economic power, in exchange for the blood and lives of fellow patriots... would be harshly judged by our society and history."

For his part, Senator Hipolito Solari Yrigoyen (Radical-Chubut) also declared himself against an Argentine role in the Persian Gulf. Solari Yrigoyen insisted on prior congressional authorization before any move is made.

Also, opinion polls indicate 70 percent of Argentine citizens oppose any participation in the Persian Gulf crisis.

In related news, Argentine Ambassador to Saudi Arabia Julio Uriburu-French confirmed that the 12 Argentines still in Iraq were waiting for permission to leave and negotiations were still under way although, for security reasons, he preferred not to make any more comments on the issue. However Uriburu French described life in Riyadh, the capital of Saudi Arabia, as calm while planes carrying US troops arrived every three of four hours.

In other developments, military sources declared that if Argentine troops were sent to the Middle East, a Meko 360 destroyer or a Meko 140 and two Corvettes class 69 of French origin would be included among the warships sent with them. There was also the possibility of sending two Hercules C-130 with a commando troops aboard. As far as troops are concerned, these could include 500 Army, Navy and Air Force soldiers, he said.

### Iraqi Ambassador on Events in Persian Gulf

*PY2808125290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1138 GMT 28 Aug 90*

[Text] Buenos Aires, 27 Aug (NA) — Iraqi Ambassador Taha Yasin al-Basri has praised Carlos Menem's government because it "has not joined the blockade" in the Persian Gulf. He stressed that foreigners, with certain exceptions, "are leaving Kuwait normally."

He admitted that the hostages that are in the hands of Iraqi forces subject to negotiation. "When one negotiates, everything is negotiated," he stressed, adding that his country hopes that the conflict will be resolved without violence.

"This is a problem between Arabs that can be resolved without foreign interference," the ambassador added during a news conference that he gave on 27 August at the Iraqi Embassy.

He stated that "it is very positive" that the Argentine Government "has not joined the blockade in the Gulf and that it will only send troops if the United Nations asks for them, in accordance with the official declaration."

He stressed that foreigners "are leaving Kuwait normally, with the exception of the citizens of some countries with which Iraq has disagreements."

Regarding the possibility of using chemical weapons, he said: "We are talking about weapons of peace, not weapons of war," when guaranteeing that the Iraqi Government "does not want to fire the first shot."

"(Saddam) Husayn has stated that he will defend himself if Iraq is attacked. This must be understood as a logical principle of defense, never of attack."

### Party Leaves National Justicialist Popular Front

*PY2708234290 Buenos Aires BUENOS AIRES HERALD in English 27 Aug 90 p 7*

[Excerpt] (NA-DYN)—The Intransigent Party (PI) yesterday decided to break away from the National Justicialist Popular Front (FREJUPO) and start seeking fresh contacts with other political, social and labour sectors in

order to "oppose the (government's) liberal plan," while harshly criticizing official economic policy.

The PI's estrangement from the political alliance which last year helped Carlos Menem win the presidency was favoured by 160 votes and rejected by only four during the party's National Convention meeting, which started on Saturday evening and ended early yesterday morning.

The decision entails the triumph of the PI sectors most strongly opposed to Menem's government, which are fostering the creation of a new electoral front along with the Christian Democratic (DC) and Authentic Socialist parties, among other centre-left groups. [passage omitted]

## Bolivia

### MNR Holds Convention, Elects Sanchez de Losada

*PY2808144290 Buenos Aires DYN in Spanish 1814 GMT 27 Aug 90*

[Text] La Paz, 27 Aug (AFP)—The Nationalist Revolutionary Movement (MNR), a political party of great importance in Bolivia's modern history and the current main opposition party, today at dawn closed its extraordinary party convention. During this marathon meeting the MNR changed its national president for the first time in its history, approved new party statutes, and thwarted an impending conflict.

The MNR convention accepted the "irrevocable resignation" of its traditional and legendary president Victor Paz Estenssoro, who founded the party in 1942 with a group of intellectuals. Victor Paz Estenssoro headed the MNR until last April when he tendered his resignation and handed over the party leadership to MNR Vice President Gonzalo Sanchez de Losada.

The MNR convention was attended by over 1,000 delegates. They "unanimously" confirmed Sanchez de Losada as its new national president. Sanchez de Losada is 59 years old and has a university degree in philosophy and letters. He is today Bolivia's most important businessman in the private mining sector.

The change of leadership is a symbol of the deep changes within the MNR. In April 1952, the MNR implemented a "National Revolution" that changed feudal Bolivia through the nationalization of the mines, agrarian reform, and the implementation of the universal ballot. In 1985, again under Paz Estenssoro's leadership, the MNR introduced neoliberalism to Bolivia.

Present through its own right or as a member of coalitions in virtually all Bolivian administrations since 1952, the MNR was forced to be in the opposition as of the 1989 elections. Although the MNR obtained the largest number of votes, the presidency went to current President Jaime Paz Zamora as a result of an agreement between the parties that came in second and third place.

The MNR convention had to overcome the resistance of some "romantic" internal sectors that support the "April 1952 Banners" movement which refuses to accept the neoliberal line upheld by Sanchez de Losada, a pragmatic businessmen who started his political career as a deputy in 1979.

This sector also questioned the new MNR statutes which, among other things, establish that MNR presidential candidates will be elected through a direct vote and that grant more importance to territorial structures in party activities. But in the end, the party statutes were also "unanimously" approved.

At the end of the meeting, Sanchez de Losada said he is "quite happy" over the "success" of the convention which strengthened the unity of the MNR that is currently experiencing "a new spring."

Political observers agree that the MNR is experiencing a "new stage" and that in order to be effective, the strengthening that ensued from the MNR convention must spread to the MNR grassroots.

## Brazil

### Official Says 'Will Not Send Ships' to Gulf

*PY2808125090 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 28 Aug 90*

[Text] Brazil will not send ships or troops to participate in the naval blockade against Iraq. Foreign Ministry spokesman Jose Vicente Pimentel released this information admitting, however, that Brazil might participate in a United Nations sponsored international force.

According to Pimentel, at this time the government is more concerned about the exit of 290 Brazilians who are still in Iraq.

### Foreign Minister on Status of Citizens in Iraq

*PY2908032290 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Aug 90 p A-23*

["Excerpts" of interview with Foreign Minister Francisco Rezek by Andrew Greenlees on 24 August in Brasilia]

[Text] [Greenlees] How many Brazilians are still in Iraq, and what exactly is their situation?

[Rezek] Up until last Friday [24 August], 330 Brazilians were in Iraq, 36 of them already had exit visas. So, 294 are still waiting for their exit visas. We have information that visas are being granted, gradually, but they are being granted.

[Greenlees] Will the Brazilians with job contracts in Iraq be released?

[Rezek] The affirmation was repeated, sometimes here, sometimes there, that those with job contracts will not be

granted exit visas before their contracts expire. That affirmation by Iraqi officials was interspersed with statements that nobody would be denied exit. In practice, we are giving more importance to positive information.

[Greenlees] And the Brazilians involved in military projects? How many of them are there?

[Rezek] There are probably seven or 12. It is a group of highly specialized experts who are working on a rocket system. I do not have any information that they have formally requested exit visas from Iraqi authorities.

[Greenlees] In what way will the Persian Gulf crisis change Brazilian policy in that region?

[Rezek] Iraq is a very particular case. What happens has to do with that government. There are lines of bilateral trade that are rich and wholesome, which can be resumed once the UN-imposed blockade on Iraq is lifted. These are lines of civilian trade represented by oil, which we import, and products, especially food, which we export. However, things have become difficult for weapons sales.

[Greenlees] Has Itamaraty already admitted the possibility that Brazil could participate in an eventual UN peacekeeping force?

[Rezek] It is always a possibility. A rapid outcome is expected for this crisis, whether hard or soft. I do not see that there will be enough time for the creation of a UN peacekeeping force.

### Petrobras Negotiates To Replace Gulf Oil Losses

*PY2608222290 Rio de Janeiro O GLOBO in Portuguese 25 Aug 90 p 23*

[Text] Petrobras [Brazilian Petroleum Corporation] management has managed to sign another contract to supply petroleum to replace the 190,000 barrels per day that Brazil had been purchasing from Iraq and Kuwait. This week Petrobras closed a deal raising imports of Venezuelan oil from 5,000 to 30,000 barrels per day. Venezuela is the second-largest producer of oil in Latin America after Mexico, producing two million barrels of oil per day.

In addition to a 100,000 barrel-per-day contract signed eight days ago, Petrobras has managed to increase its purchases of Iranian crude by 50,000 more barrels per day, making Iran the country's main supplier of oil. A contract is still pending with a Malaysian mission that visited Petrobras last week. Sources have indicated, however, that the members of the mission displayed an interest in doing business with Petrobras. Malaysia produces 600,000 barrels of high-quality oil per day.

Petrobras refuses to reveal the results of negotiations with suppliers because they would clearly show that OPEC countries are already producing above their regular quotas to compensate for the 4.6 million barrels that had been supplied daily by Iraq and Kuwait.

Infrastructure Minister Ozires Silva stated on 23 August in Rio de Janeiro that Brazil had already managed to replace all the petroleum it had been purchasing from Iraq and Kuwait and that the country's petroleum supply had been normalized.

Brazil is already paying $32 CIF (including freight and insurance) per barrel of petroleum. The increase in price from the $26 per barrel Petrobras had been paying to $30 will represent an additional burden of $300 million until the end of the year, without taking into account freight and insurance costs, which amount to an average of $2.50 per barrel.

Silva added that within the next few days Petrobras will begin a publicity campaign to ask the people to reduce fuel consumption.

### Official Says U.S. Withholding Rocket Motors

*PY2708145290 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Aug 90 p A5*

[Report by correspondent in Sao Jose dos Campos]

[Excerpts] Lieutenant Colonel Tiago da Silva Ribeiro, 45, president of the Space Activities Institute (IAE), said yesterday that the U.S. Government is withholding in that country the structures [estruturas] of seven motors from the Brazilian Satellite Launching Vehicle (VLS) and is thus delaying the development of the Brazilian space program. According to Ribeiro, the motors have been delayed in the United States by orders of the U.S. Department of State since the end of last month. [passage omitted]

The budget for this year's rocket program has already been used up. The money that was received in March was totally spent by July. The Brazilian Commission for Space Activities (COBAE) is negotiating a budget supplement of 150 million cruzeiros to continue the project. The IAE has so far received only the equivalent of one-fourth of the 1.5 billion cruzeiros that it requested for 1990.

The prospects for 1991 look even worse. Congress is scheduled to discuss the approval of a budget barely covering 15 percent of the money needed for the VLS program in 1991. The project should cost over $150 million before its conclusion at the beginning of 1994. The Brazilian satellite is scheduled to be launched by a foreign launcher before then. According to Lt. Col. Ribeiro, the launch should cost between $18 million and $20 million.

### Arms Supply Conflict Viewed

*PY2808180690 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Aug 90 p 3*

[From the "Notes and Information" page: "A Difficult Problem for Collor"]

[Text] The export of military equipment is a major foreign policy issue that President Fernando Collor has

inherited from previous administrations. The matter involves the situation of the military supply industry, which directly affects the Brazilian Armed Forces, their doctrine for the use of troops, and their relations with civilians in the sector that could be called the "industrial-military complex."

This is a very delicate problem because it entails, in the first place, what could be called the Brazilian military doctrine. This doctrine suggests (and we say suggest because to a considerable extent it remains unknown to the public and even to Congress) that it is not necessary to maintain the Armed Forces in a state of readiness for combat, but only to have the industrial capacity to supply them and to train them in case of a conflict. This doctrine has forced the Brazilian military industry to search for markets abroad, in which it could compete with the major and traditional suppliers of sophisticated or nonsophisticated equipment that could be purchased by Third World countries. Many of such traditional suppliers are western countries. The struggle to conquer markets has been hard, and the fact that the Brazilian military industry has opened markets in areas that the United States considers "dangerous," has strained Brazilian-U.S. relations. To put it clearly, relations also have been strained by the fact that the Brazilian Government has thus far adopted a dubious position regarding arms sales: When regarded as a simple and purely commercial transaction, the matter has been considered exclusively as pertaining to private companies. Like this the government cannot take any action, except to veto transactions that violate United Nations resolutions or that do not comply with a policy that is known to just a few people. However, whenever the United States has protested the fact that private companies are selling arms to countries that are considered "dangerous," the Brazilian Government has defended such transactions on sovereignty grounds, claiming that the world is divided into rich and poor countries, or even the Araujo Castro doctrine on the Soviet-U.S. joint dominion.

This is the background that should be taken into account to consider the U.S. Government decision to confiscate components of Brazilian rockets, in U.S. territory. The corresponding contract, which was signed with a private U.S. company, was canceled in May 1990 when there were no remote indications of the Iraqi conflict (the date of the decision to confiscate the components is unknown). This shows that the U.S. decision was not made within the framework of the U.S. defense policy or to comply with United Nations resolutions. Instead, the decision was made within the framework of the U.S.-Brazilian conflict, which this measure has aggravated [preceding word in italics]. The matter is even more delicate, because it is part of a set of actions that the U.S. Government has taken to prevent the proliferation of (chemical or nuclear) warhead carriers of any range, with launching bases in this hemisphere or in countries that are considered "dangerous."

The contract was canceled in May. The decision to confiscate the components followed thereafter. On 11 June, in a report to the House Arms Control, International Security, and Science Subcommittee, Richard Clarke, assistant secretary of state for political-military affairs [name and position as published] said nothing on the subject. He mentioned, however, the Iraqi efforts to produce a large warhead carrier with its own technology or with technology purchased from the Argentines and from the Egyptians in the Condor II rocket. Clarke said that the United States had some success in delaying the development of the Condor in both countries. As for Brazil, Clarke simply mentioned press reports and said: "The Brazilian Government has indicated that it is investigating the situation," that is, into Brazilian involvement in the development of rockets to be used by Iraq. Clarke's briefing took place in June, when the Collor administration was already in power.

The U.S. concern about Brazilian programs and projects, however, went even further. On the same day, in a briefing to the same subcommittee, Brad Gordon, assistant director of the Nuclear and Weapons Control Bureau of the United States Arms Control and Disarmament Agency, was more explicit: "We hail the guarantee that Argentine President Menem has given that the (Condor II) program has been suspended. In Brazil, parallel missile and space rocket launching programs continue. Recent high-level diplomatic talks on proliferation problems, however, indicate that there are possibilities for making progress."

Therefore, one of the following may have happened: either the Brazilian Air Force and Itamaraty were not aware of the cancellation of the contract in May—even after the confiscation that the U.S. Government ordered without apparent reasons—or they preferred to remain quiet. Anyway, that drastic decision has been made known only now. This reveals that either the U.S.-Brazilian conflict has been further strained, or that "high-level diplomatic talks" have failed. It is important to know now whether Washington wants clear definitions from the Brazilian Government regarding the missile and rocket program, regarding the Brazilian stance toward the situation in the Persian Gulf, or regarding what Brasilia wishes and is able to do as a contribution, however symbolic, to the military effort in that region.

If Brazil actually wants to join the First World and if it wishes to be heard by the "most important countries," it will have to assume the responsibilities that must be discharged despite the fact that its strategical resources are insufficient for an extra- continental action.

### Nuclear Reactors for Remote Sites Under Research

*PY2708161890 Rio de Janeiro O GLOBO in Portuguese 26 Aug 90 p 48*

[Report by Jose Eustaquio de Freitas]

[Text] Sao Jose dos Campos—Brazil is going to use nuclear energy as a source for generating electricity for a series of radar and telecommunications repeater stations

that are installed remote sites, like the Amazonia, Pantanal, center-west regions, and distant islands.

The stations will receive electricity from a thermal-electric generator that will be fed by reprocessed waste, such as plutonium, from nuclear plants whose radiation lasts for 30 years but which have low penetration and can be isolated easily.

The project to develop these generators is part of a joint task that has been outlined by the Institute of Advanced Studies (IEAv), an Aeronautics Ministry organization that is linked to the Aerospace Technical Center (CTA). The National Nuclear Energy Commission (CNEN) has included this task in the project to restructure the Brazilian nuclear program that will be submitted to Congress. This program also includes finishing the linear electron accelerator, an expansion of the Nuclear Data Center, and the development of the thermal-electric radioisotope generator.

Colonel Reginaldo Santos, the IEAv director, estimates that the first generator tests will be carried out in 1993 and that this part will require an investment of $300,000 a year. It is estimated that the equipment will be available within a maximum of 10 years.

Santos said: "Our major difficulty will be to obtain fuel because Brazil does not have the means to reprocess nuclear waste and it will be very difficult to find a country that will sell us that type of materiel, which is very costly, very difficult to obtain, and its sale is controlled."

The alternative is to obtain small quantities of fuel through the Energy and Nuclear Research Institute (IPEN) in Sao Paulo, where a reprocessing system exists at the laboratory level. Santos believes that Brazil will have to quickly seek nuclear reprocessing technology because this will help to obtain fuel, preferably Plutonium 238, Strontium 90, or Curium 290, for the generator. These radioactive materials barely emit Alpha and Beta radiation, which have a small penetration, not like the Gamma radiation that is emitted by uranium. It can be easily contained with simple shields because this type of radiation cannot penetrate a piece of paper [as published].

The reprocessed materiel is placed in the generator where it produces heat naturally through radioactive disintegration. In other words, radiation is slowly freed and loses energy. This energy is in the form of heat which is then transformed into electricity.

The use of these generators will eliminate the need for routine maintenance in the electrical part of the radar installation or telecommunications repeaters because nuclear sources generate energy for many years. For example, the chemical content of Plutonium 238 takes 18 years to lose half of its radioactivity. The Air Force believes that it will be necessary to install dozens of repeater stations in the Amazonia so that the region will be effectively covered by radar in order to protect its air space, and it would not be feasible to do routine maintenance if diesel oil generators were used.

The IEAv has a group of scientists working on the idea of these generators with a maximum power of 100 watts, another group studying the building of a mock up, and a third group researching the materiel that will be necessary to manufacture the equipment. The main difficulty lies in the definition of the material that is to be used because thermal protection that can withstand temperatures above 600 degrees centigrade is required. The scientists' first choice is to use ceramic materials that are being researched jointly with the San Carlos University in Sao Paulo State.

The IEAv guarantees that in addition to being durable and economic, these generators a completely safe and they do not emit radiation that can harm the environment.

### Reactor for Satellite Studied

*PY2708134490 Rio de Janeiro O GLOBO in Portuguese 26 Aug 90 p 48*

[Text] San Jose dos Campos — Brazil could well use nuclear energy as an energy source for its future satellites. The research is being carried out by the Institute of Advanced Studies (IEAv) using the guidelines of U.S. studies. To date no positive results have been obtained.

The research was started in 1981 from a theoretical concept and laboratory experiences. Colonel Reginaldo Santos, the director of the IEAv, has reported that they aim to develop a laboratory model within five years. This mininuclear reactor will be studied by aeronautics scientists, but it will be manufactured by the Energy and Nuclear Research Institute (IPEN) and it will function like a nuclear plant in that it will generate enough heat to produce steam which will drive a turbine.

According to Santos, this technology produces the best results: A compact reactor that occupies a very small place, does not weigh much, produces a few dozen kilowatts of power, and it can be used for several years to move the satellite in orbit and feed all the systems that depend on electricity to receive, process, and transmit information. With this mini-reactor there will be no need to use large solar panels on the satellite which quickly lose their efficiency due to space particles and radiation.

### Air Base Commanders Dismissed on Torture Charges

*PY2808134490 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 27 Aug 90*

[Text] The aeronautics minister has dismissed Colonel Gildo Fernandes de Souza and Lieutenant Colonel Ubirajara Fernandes da Cunha from their posts as commander and deputy commander, respectively, of the

Anapolis Air Base in Goias, in the face of charges that four soldiers were tortured during an investigation over the theft of weapons.

In an official communique, the minister rejects the acts of torture and gives assurances that those found guilty will be punished. The acts of torture were denounced by soldier Rober Soares da Silva. Soldiers (Oziel), (Valter), and (Lucas), were also tortured.

### Italian 'Cocaine Kingpin' Arrested in Sao Paulo

*PY2808132690 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 27 Aug 90*

[Text] Interpol [International Criminal Police Organization] regards (Umberto Amaturo) as the cocaine kingpin in Europe. In Italy, from where he escaped, he was sentenced to 17 years in prison on charges of drug trafficking, kidnapping, and murder charges.

(Amaturo), head of a Naples mafia gang, is 48 years old. According to the Federal Police, he has been living for eight months in Juquitiba, in Sao Paulo State. He was arrested on 21 August in Governador Valadares, Minas Gerais State, as he tried to obtain Brazilian documents. He was posing as a Peruvian citizen under the name of (Alan Amatia Valdes), but his cover was already known to Interpol and to the Brazilian Federal Police here in Sao Paulo, who ordered his arrest.

(Amaturo) will be extradited at the request of the Italian Government.

### IBGE Reports Largest GDP Drop in Decades

*PY2808192090 Rio de Janeiro O GLOBO in Portuguese 25 Aug 90 p 1*

[Summary] The Brazilian Institute of Geography and Statistics [IBGE] has reported that during the second quarter of the year the Gross Domestic Product [GDP] had the largest drop in many decades.

The GDP dropped 8.8 percent during the second quarter of 1990 compared to the same period of 1989, and 6.04 percent compared to the first quarter of 1990.

### * Increase in Strikes Post-Collor Plan Surveyed

*90SM0215D Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Jul 90 p B-1*

[Article by Brasilia correspondent Sylvio Costa]

[Text] The number of man/days lost because of the outbreak of strikes soared by 140.07 percent between May and June 1990, according to preliminary figures from the Ministry of Labor and Social Security. The increase was 982.02 percent when compared to April of this year. The rapid increase in labor conflicts is attributed primarily to the wage issue: the number of occupational categories that have resorted to walkouts in order to obtain restoration of real wages lost to post-Collor Plan inflation is rising.

The Office of the Coordinator of Statistics and Data (CEI) in the Ministry of Labor believes that the number of man/days not worked is the best indicator of the trend in strikes. That indicator is the product of the number of strikes, the duration of each, and the size of the inactivated work force. In April, 2,267,878 man/days of stoppage were recorded; in May, the total was 10,221,700.

June walkouts already add up to 24,538,872 man/days not worked. According to the CEI, however, the final figure will probably be much higher because much of the strike data is late in arriving from the ministry's Regional Labor Offices. The number of strikes, which was placed at 105 in April and 214 in May, 1990, jumped to 330 in June, according to preliminary reports.

The number of workers who stayed off the job rose from 224,085 in April and 1,008,079 in May, to 1,574,828 in June. The number of days on strike jumped, during the past three months, from 1,018 to 1,812 and then 3,985. In June, there were nine national strikes, 72 state strikes, 231 municipal ones, and 18 that affected more than one municipality. Those working in education and culture led in strikes with 8,884,270 days lost, followed by wage-earners in industry (7,901,253).

According to the figures from the CEI, made available exclusively to FOLHA, the public sector weighed in most heavily, with 15,513,233 man/days of stoppage, of which 12,333,206 involved actions against state governments. The principal demand of those who went out on strike in June was restoration of the purchasing power of their earnings on the basis of the IPC [Consumer Price Index].

In the opinion of Rosane Maia, 31, an economist in the Interunion Department of Statistics and Socioeconomic Studies (DIESSE), the surge of labor unrest in June must be viewed against the backdrop of the return of inflation. "If prices had not started rising again after the Collor Plan, workers would not be holding so many strikes because they would have been satisfied with February's adjustment—equivalent to 72.78 percent of the IPC—which was paid to them in March," she said.

The rash of strikes comes after a period of relative calm in labor relations. In June alone, the total number workers out on strike exceeded (by 33.66 percent) the figure for the same month of 1989, which had been considered the worst year for Brazil in terms of strikes since 1964.

Maia believes the resurgence of strikes bears some relationship to what happened last year. In both cases, she believes, the government drew up stabilization programs—the "summer shock" and the Collor Plan—without establishing any rule for restoring lost wages; they had started from the premise that they would achieve price stability. Since inflation rose and there was no wage policy, labor pressures returned soon afterward.

Maia did, however, draw a distinction. In 1989, the level of employment was on the rise, which gave more impetus to wage demands. In 1990, we find the number of

disputes is growing during a period of rising unemployment. This would seem to be a paradox, since recession and unemployment are factors that usually discourage wage-earner mobilization.

The economist interprets the phenomenon as an indication that "wages are really in a valley, i.e., in real terms, they are at their lowest level in recent years."

Experts at the CEI responsible for keeping track of strike data believe that the renewed labor unrest is likely to continue in July, and perhaps in August, because of the uncertainty about the new wage policy which Congress approved but President Fernando Collor may veto.

Economist Rosane Maia prefers not to make predictions. In her opinion, if the recession loses steam, the losses in wage purchasing power will be important in fueling the maintenance of the trend observed in June.

### * Eris Views Reserves, Deindexation, Inflation

*90SM0215C Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 22 Jul 90 p 4*

[Interview by Jose Paulo Kupfer and Antonio Felix of O ESTADO DE SAO PAULO and Ronaldo D'Ercole of AGENCIA ESTADO with Ibrahim Eris, president of the Central Bank of Brazil, held in Brasilia on 20 July 1990; first two paragraphs are O ESTADO introduction]

[Text] The Central Bank has already started releasing remittances of capital—interest and dividends—to other countries. Such remittances were suspended when the Collor Plan was announced, and the coming resumption was announced early this month. "We began by remitting $70 million during the second week of July," said Central Bank President Ibrahim Eris. The Central Bank is going to release $70 million a week, and by the end of the year, the total of remittances should reach $1.8 billion. According to Eris, the outflow of funds is not likely to affect the level of reserves, thanks to the floating exchange rate system instituted under the Collor Plan. The system is part of a method intended to eliminate indexation in the economy, and that also affected the overnight market.

Eris, 45, says that the relations between the Central Bank and the financial system have already been normalized. The situation is much calmer, and this is reflected in the habits of the president of the Central Bank. Eris has no idea how many cigarettes he smoked every day in the early days of the Plan, when he took up smoking again. Today, he says, the "rate" has stabilized at two packs. Last Friday in Brasilia, after preparing and serving his own tea—the snack bar workers, hired without a competitive examination, had been dismissed to cut expenses—Eris received Jose Paulo Kupfer and Antonio Felix of O ESTADO DE SAO PAULO, and Ronaldo D'Ercole of AGENCIA ESTADO for the following interview.

[O ESTADO] What is the biggest problem the Central Bank faces now? What kind of adjustments will be needed?

[Eris] Things are reasonably well in hand. It turned out to be harder than we had expected to normalize our relations with the banking system. No one dreamed that Provisional Measure 168, responsible for creating the cruzeiro and blocking the cruzados, would be so complex. After relations with the system became normalized, we made some big changes in the area of exchange and government bonds.

[O ESTADO] The Central Bank has left the exchange rate and the overnight market rate free of controls. Now they float in accordance with the level of market reserves. What is the direction of the changes?

[Eris] We have opted to implement a process, still underway, of gradual deindexation of the economy. First, we worked on the exchange area. Today we have rates that are only somewhat tied to inflation. There is no longer an immediate connection with the inflation rate for a particular month, week, or day. It no longer makes any sense at all to try to compare the exchange rate with the change in the value of the BTN [National Treasury Bonds], the overnight, or the situation in the stock market. So we are following a reserves policy, not an exchange rate policy. Then we did the same thing with the overnight market. Today, the overnight is much less indexed and no longer itself serves as an indexing factor.

[O ESTADO] Doesn't the floating exchange rate entail the risk of producing a trade balance surplus lower than the level the government hopes to see?

[Eris] Whether the surplus will be smaller or bigger will depend on whether the Central Bank purchases reserves. There is no exchange policy; instead, we have a reserves policy. If the Central Bank, after consulting with the Ministry of the Economy, believes that a certain level of reserves is appropriate for this year, the rate will reach a certain point, as will the trade surplus. If it is agreed that reserves should be higher, the rate will also be higher, and so will the trade balance. There is no high or low exchange rate—it is only a result, not an initial variable.

[O ESTADO] And what has been the policy on reserves?

[Eris] When we took office, reserves were very low and we had some very burdensome commitments. By working frantically, we managed to reverse the situation. In two months, between what we paid out and what we accumulated, we obtained $3.5 billion. So we built the reserves up to an acceptable level, about $7 billion.

[O ESTADO] Are reserves still at an acceptable level today?

[Eris] They have gone up, but we would prefer them to be higher. So we may decide to enter the market to buy more. In the short run, however, there is a need to combat inflation. Accumulating reserves means monetary expansion—when it buys dollars, the Central Bank

has to inject the equivalent in cruzeiros. Things have to balance out. I can tell you, on the other hand, that at no time did we "burn up" reserves in order to fight inflation. On the contrary—our reserves kept growing until May. And in June and July they increased even further.

[O ESTADO] Did they go as high as $10 billion?

[Eris] No.

[O ESTADO] Have they passed $8 billion by now?

[Eris] Yes, in July.

[O ESTADO] Does the increase in reserves open the way for resuming, with more generosity, the overseas payments and remittances of interest and dividends that had been suspended?

[Eris] This year we will probably remit $1.8 billion in interest and dividends. During the second week of July, we began remitting $70 million a week. But our reserves are still at the same level. This is the result of the floating rates: we have thrown the burden of the expenses onto the market. The rates rise, this stimulates exports, discourages imports, and makes room for new spending. And that is also why the removal of restrictions on imports does not influence the level of reserves.

[O ESTADO] And how about the overnight?

[Eris] This was the most dramatic change, because we initially went against the mentality of the market. Today the rates float—excessively at times—as a consequence of there being money available on the market, not because of inflation. Obviously, as is true anywhere in the world, there is a relationship between interest rates and inflation. But now the market plays a much bigger role in that relationship than the Central Bank does. The Central Bank intervenes only to moderate excessively drastic changes during the trading day, not to influence market trends.

[O ESTADO] Has deindexation been successful outside the Central Bank area?

[Eris] Efforts are being made to avoid indexation of wages. But that is a much more complex issue, one that is socially and politically delicate and, therefore, quite controversial. We are engaged in hand-to-hand combat. We must disseminate the idea that wages need not necessarily be indexed on the basis of past inflation rates, although they might in fact bear some relationship to it.

[O ESTADO] When will the economy be fully deindexed?

[Eris] We cannot make any chronological predictions. But there is one thing that makes me very happy: today, there is no official inflation rate. Everyone accepts the idea that there are tens of indices, and each person is free to choose their own. The economy is still not deindexed, but there is much more flexibility in its key variables—interest rates, exchange rates, prices, and wages—than there was prior to March. We can only achieve deindexation by stabilizing inflation at low levels. When inflation is high, the public tries to protect itself by adopting indexation. In fact, this even happened in the United States when inflation hit 20 percent a year. Labor contracts started incorporating correction mechanisms, and that sparked a big debate, as we have had here, about the effect on the rise in prices. We should also remember that indexation applies not only to wages, but also to prices. During the 1980's we got into the habit of setting prices as a function of inflation. We forgot that price is a factor in competitiveness. Now things are starting to change.

[O TEMPO] Is there some specific measure that needs to be taken?

[Eris] No. What will really be very important is a drop in the inflation rate. We are still acting today as if we were living under hyperinflation. That is natural—it is part of the inflationary culture. We have just come out of a decade when not only was inflation high, but it was always rising—except for short intervals at the beginnings of the various economic plans.

[O ESTADO] Is there, in fact, a way to reduce inflation? When the president mentioned an inflation rate of three percent for August, rumors of another freeze began to circulate.

[Eris] That is absolutely ridiculous. There is no prospect of a freeze, and the president was not talking about an August inflation rate of three percent. He was referring to a decline that would begin in August and finally stabilize at three percent. The course taken under past economic "package" plans led to new freezes. But the Collor Plan has an essential element that the others lacked: retention of cruzados in the Central Bank. This has prevented consumption from exploding. After that, it became possible to obtain good results by working with traditional instruments of monetary policy. In the third place, we worked quickly to remove price controls. We demonstrated to the public that we did not want to use artificial devices to curb inflation. Fourth, we removed restrictions on imports, and that is already making a difference in the markets.

[O ESTADO] What will be the fifth step?

[Eris] Something else that we need to change is this habit of always waiting for something new from the economic team. The most recent measures were actually taken to refine the mechanisms that had already been established. There are no big changes in strategy in sight—except perhaps on the wage issue, which is still under discussion and must be handled with care.

[O ESTADO] Starting this week, there will be a new IOF [Tax on Financial Transactions] tax on financial investments. How will the market react?

[Eris] We will not see—although many expect it—a migration of money away from fixed-yield instruments—now to be subject to the IOF—toward variable yield instruments and risk markets such as the stock exchange and gold, that are not subject to the new tax. They are completely different markets. The risk markets demand greater flexibility in terms of time and a willingness to accept either profits or losses. Fixed-yield securities give the investor predetermined yields over specific time periods. Investors in the two markets think differently. To change markets, the investor would have to completely change his way of thinking. The IOF discourages investments for extremely short intervals, but within the same mode.

[O ESTADO] There are economists who doubt that there will be a surplus equal to 1.22 percent of the GDP in the public accounts this year, as Minister Zelia Cardoso de Mello announced. How has the administration reacted to the criticism?

[Eris] People were saying that we would have a Treasury deficit as early as June, because we would not be able to count on the revenues from the IOF that was instituted with the Collor Plan. Instead, we had a surplus. And we are going to have surpluses right up to the end of the year. The estimate of 1.22 percent is not only perfectly feasible, but was based on extremely conservative calculations in terms of both expenses and revenues.

[O ESTADO] Did the calculations by any chance take into account the three percent decline in the GDP announced by government economists?

[Eris] No. We considered both inflation and growth in the GDP to be zero. If we had considered a drop of three percent in the GDP and an inflation rate of 10 percent, for example, the result would have been even better.

[O ESTADO] What would be a reasonable inflation rate under which the economy could function satisfactorily?

[Eris] Per month, about two or three percent. Not that this is the ideal figure. But if the rate were, for example, 10 percent a month when compared with the 9.1 percent goal set for monetary expansion, that would mean more of a recession. At two or three percent, you can have growth.

[O ESTADO] What does the administration have to do from now on?

[Eris] The administration has only one option, and that is to pursue the goals that its own team has set for fiscal and monetary policy, to combat indexation, and to attempt to reach an understanding with Congress on the wage issue.

## * IBGE Announces Crop Increases, Declines

*90SM0215B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jul 90 p 4*

[Text] Rio de Janeiro—Completion of the summer harvest period enabled the Brazilian Institute of Geography and Statistics (IBGE) to announce a decline in the production of eight agricultural products and increases in seven others—all based on June figures as compared with May. The Systematic Survey of Agricultural Production estimated reduced production for herbaceous cotton (-3.04 percent), arboreal cotton (-4.16 percent), rice (-4.36 percent), new crop Irish potatoes (-2.27 percent), new crop dry beans (-2.41 percent), oranges (-2.09 percent), corn (-0.82 percent), and soybeans (-1.36 percent). The seven products that showed improved results were: first crop Irish potatoes (0.11 percent), coffee (2.25 percent), sugarcane (1.68 percent), second crop dry beans (3.14 percent), manioc (0.32 percent), tomatoes (2.61 percent), and wheat (3.26 percent).

Comparing the situation in the fields in June with the size of last year's harvest, IBGE found increases in the estimates for 11 of the 17 products surveyed: arboreal cotton (62.85 percent), first crop Irish potatoes (15.65 percent), cacao (4.18 percent), coffee (0.14 percent), sugarcane (7.41 percent), onions (13.43 percent), dry beans, first crop (7.35 percent), dry beans, second crop (9.20 percent), manioc (8.19 percent), tomatoes (8.06 percent), and wheat (2.76 percent). The biggest news is the turnabout in the outlook for wheat, which had been negative in the recent surveys but is now positive, mainly as a result of the expansion of the area planted to wheat in Parana and the excellent weather prevailing until June. There are also favorable forecasts for products having a shorter growing cycle or that yield more than one harvest—such as tomato, onions, and dry beans. Expectations are that farmers will be encouraged by the removal of price controls on those products. Price levels, however, are going to depend on the policies and standards set by the government.

Of the six products whose harvests are estimated to be lower than last year, rice (-30.18 percent), soybeans (-17.22 percent) and corn (-17.14 percent) exhibited the largest declines. The others were herbaceous cotton (-0.94 percent), second crop Irish potatoes (-4.61 percent) and oranges (-3.17 percent).

A total of 1.23 million head of cattle was slaughtered in May, 2.2 percent more than in the same month of last year. The supply of meat, which totalled 270,800 tons in May, exceeded last May's level by 6.5 percent. This improvement is explained by the cattlemen's need to work within the curbs on liquidity under the Collor Plan, and also by the higher prices, which started rising again in May (13.74 percent). Cumulative figures for the year, however, show the number of cattle slaughtered (5.5 million) was 6.1 percent below that of the first five months of last year.

*** Projected Congressional Turnover Rate Discussed**

*90SM0215A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jul 90 p 7*

[Article by Sandra Sato]

[Text] Brasilia—A little more than two months away from the 3 October elections, we can already state with certainty that 128 of the people now serving in the legislature will not be returning to Congress next year. Elected in 1986 to write the new Constitution, they have decided not to participate in the constitutional revision scheduled for 1993. The majority resort to one of the arguments advanced by Sao Paulo Deputy Luiz Inacio Lula da Silva (PT) [Workers Party] to justify their decision: disillusionment with the legislative life. But some, like Ceara Deputy Osmundo Reboucas (PMDB) [Brazilian Democratic Movement Party], admit they do not have the means to embark on a campaign in which what they call "electoral clientelism" still prevails. Others have simply decided to abandon an expensive and difficult race to enter an easier contest. This is the case of Eduardo Bonfim (PC do B) [Communist Party of Brazil] from Alagoas, who figures he needs only 35,000 votes to become state deputy, compared to the 110,000 he would need to be reelected to the federal Chamber of Deputies.

The dropouts are likely to increase the percentage of turnover in the Congress, now estimated by experienced politicians at 50 percent. This figure looks small if you compare it to forecasts made early this year, when the image of the legislature was at a low point and the presidential elections had given the victory to a candidate who had been harshly critical of politicians. Then, there was reason to predict a turnover rate of 80 percent. In the Chamber of Deputies, 112 members have already said they will not run for reelection. Of that total, easily 44 say that they have become disillusioned with legislative service, as was the case with Lula. Of the 25 senators who would have to run for another term this year, only nine are willing to face the challenge of the ballot box. The 16 who are leaving the fray include some who cite disappointment, such as Jorge Bornhausen (PFL) [Liberal Front Party] from Santa Catarina. "I am tired of this business," he says.

Holder of a PhD in economics from the prestigious (U.S.) Harvard University, Deputy Osmundo Reboucas gained a certain amount of distinction in the Congress because of two bills: the Plano Real, which he sponsored along with Prof. Francis Lopes, and the bill to convert Provisional Measure 168, under which he proposed raising the limit on withdrawals from savings accounts from 50,000 to 600,000 cruzeiros. Neither bill passed, and today Reboucas says that Congress is an "archaic and difficult" institution. The notoriety he gained during the voting on MP 168 was of little help—the deputy believes that he could only get reelected if he had about $1 million to spend. "Clientelism is what counts in an election," he said.

A lack of money is also among the factors cited by Deputy Furtado Leite (PFL), of Ceara. He decided not to run again, after 31 years in the Congress. He estimates that he would need at least 100 million cruzeiros to get reelected. However, it is the absence of hope of ever seeing a more decisive and influential Congress—as Lula complained early this year—that is found most frequently in justifications by the deputies. "Now that we have the authority, we still end up with nothing to do because nothing is being done," says Hermes Zanetti (PMDB), from Rio Grande do Sul, another deputy who gave up the idea of trying for another term—his third—in the legislature.

In Parana, Deputy Helio Duque (PDT) [Democratic Worker's Party], was defeated by his own party, which denied him the candidacy for the Senate as a result of a compromise with Jose Richa's PSDB [Brazilian Social Democracy Party]. Duque had already been complaining to friends in Brasilia, however, that his position as a congressman was causing trouble for his son in school; the boy was always fighting with schoolmates who said that politicians are thieves. "We are called 'maharajahs' and accused of living on our perks," said Paulo Macarini (PMDB-Santa Catarina), in exasperation. He decided to retire the congressional name tag he has worn for 12 years and enter the practice of law. Disillusionment with legislative life also seems to be what led Deputy Francisco Pinto (PMDB-Bahia), a member of the old "authentic" group in the PMDB, not to seek reelection. His name actually appears on the party slate, but he insists he will not campaign.

Besides the alleged disappointment with the life of a legislator, the regional contests are leaving a good number of congressmen and senators sitting on the sidelines. "I was quarantined," says Deputy Percival Muniz (PMDB), from Mato Grosso, who was forced to abandon the race so that Governor Carlos Bezerra could run in his place. Bezerra later changed his mind and Muniz thought he could get the spot back, but the state PMDB leadership decided to nominate someone else. "They took advantage of my going to Brasilia to vote on the Wage Law, to put someone else in," he charges.

Someone else who also says he is "tired of the wars," is Deputy Vieira da Silva (PDS) [Social Democratic Party], an adversary of former president Jose Sarney in the troubled politics of Maranhao State. For more than 2 years now, Vieira da Silva has needed a wheelchair to get around because—he claims—of a nervous breakdown caused by disputes with Sarney. Last year, for example, Vieira da Silva's television station—Ribamar TV in Sao Luis—was off the air for 35 days. The deputy insists that this happened because he "would not yield to pressures from the former president to vote in accordance with the positions taken by the Executive." Vieira da Silva will not be back in Congress, but plans to send his son Fabiano Vieira da Silva in his place.

Cases like those of Vieira da Silva and Percival Muniz are common in any election year. What is new this time

is the number of legislators who have said they are frustrated with their experience in that branch of government. "It is a very slow process; I do not see many results from my work," says Sao Paulo's Caio Pompeu de Toledo (PSDB), a "toucan" who now would rather find a nice cozy spot in the Executive Branch. "I'm available," he says. "I don't want to waste time for four more years," adds Osmundo Reboucas, who likewise seems more at ease when he talks about the possibility of working in the Executive Branch. "While I was in Congress, I always tried to do as professional a job as I could, but now they call me a bum," the Ceara deputy complains.

## Foreign Affairs Minister Rezek Profiled

*90SM0216A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jul 90 pp 4-5*

[Article by Augusto Nunes: "Rezek Dreams of the First World"; first paragraph is O ESTADO introduction]

[Text] The former partners will not be forgotten, but the Foreign Ministry's Third Worldism has come to an end.

Brasilia—Bringing a resume embellished with achievements that are almost always associated with precocity, Minister of Foreign Affairs Jose Francisco Rezek, 46, nourishes the dream of adding another achievement when he completes half a century of his life. "When I leave the government, I intend to see a Brazil that has been incorporated into the First World, without severing the ties with our traditional partners or abandoning other traditions of our diplomacy," Rezek told O ESTADO DE SAO PAULO last Tuesday in an old office of the Foreign Affairs Ministry building in Brasilia that had been improvised to serve as a dining room.

Rezek is convinced that the Foreign Affairs Ministry's forward battalions can—with the cover provided by the new industrial policy—draw close to the most developed beaches on the planet without passing the ports where until now they had been accustomed to land. "It would make no sense to distance ourselves from our Latin American partners," he said by way of example. "Nor can we draw apart from Africa. Moreover, it is a mistake to believe that we intend to close some of our diplomatic missions on the African continent," he added. The era of the Third Worldist Foreign Ministry, in any event, appears definitely to have come to an end. According to the directives established by President Fernando Collor and endorsed by Rezek, it is possible to contemplate new horizons without turning your back on the past. The ministry's binoculars, however, are adjusted to sweep with much greater precision over the territories of the First World.

This was, incidentally, the central theme of the lengthy address that the minister delivered yesterday in the auditorium of the War College in Rio. It is likely that the audience of military personnel were less anxious when they returned home, given the new directions imparted to Brazilian foreign policy by President Fernando Collor's administration, for Minister Rezek belongs to that sparsely populated gallery of Brazilian public figures whose image does not suggest an imminent frontal collision with one of the words currently in vogue: credibility.

He says he is at ease in the job he has held a little more than 100 days. "I already knew most of the members of this institution," he informs us. In the classrooms of the Rio Branco Institute, which trains Brazil's diplomats, he taught classes in Constitutional Law for men who are today placed in strategic positions. He socialized for long periods of time with people who are now his subordinates. Rezek admits he had no more than half a dozen conversations with Fernando Collor before assuming the post of foreign minister, but insisits he already knew the president well enough to believe he had made a good choice in exchanging the Federal Supreme Court for the Ministry of Foreign Affairs.

While sipping Forestier wine—as unfamiliar to the former menus at the ministry as were the beans and "farofa" that accompanied the slices of roast beef served at Tuesday's luncheon, Minister Rezek discussed the intricacies of foreign policy with a degree of informality that does not exist—nor does he imagine it will ever exist-in his relations with the president of the Republic. "I treat him with the formality due his office," explains Rezek, who always addresses Collor (and is always addressed by him) as "Mister." "What is interesting," he says, "is that I do not see on the horizon any possibility of treating him in any other manner," he acknowledges, exhibiting a smile that on his personal scale is equal to the guffaw of a boisterous person.

The horizon to which the minister refers extends at least to the end of the present administration; he appears to be very pleased with his new job. But after that? "Frankly," he says, "I cannot imagine what will happen. In the different stages of my life things have always happened unexpectedly." He does know, however, what will not happen. "My colleagues on the Supreme Court hope that I will return to the court, but one does not travel the same road twice," he declares. Nor does this excursion into the future stimulate any prophecies that would indicate a new star on the Minas Gerais political scene. "Public opinion has a certain fascination for me," he says, "but I cannot see myself on a platform embracing strangers and asking for votes." What is certain is that at 50 years of age Rezek will not limit his activities to teaching two classes a week in Constitutional Law at the University of Brasilia.

Although he does not intend to again confine himself to the world of judicial robes and decisions, Rezek will never free himsellf from the "tics" acquired during a career as meteoric as it was intensely lived. The minister's vocabulary frequently betrays the erudition he has absorbed in court, and words such as "accommodating" and "curial" creep into his speech as easily as a personal pronoun. The marriage of this dialect with the jargon of

the Foreign Ministry has incidentally produced a repertoire that can be disconcerting for a lay person. Our South American neighbors, for example, have been rebaptized "homologous countries," and the Portuguese-speaking nations now belong to a specific "Lusophonic community."

In order to traverse these diplomatic labyrinths without difficulty, Rezek had to alter the predictable daily routine he followed as a Supreme Court justice. Just as before, he walks every morning down the long blocks of Brasilia's streets at the side of his wife Mireia, to whom he has been married 18 years and by whom he has four children. And whenever his morning schedule does not merge into his evening schedule, he goes home for lunch. In his three months as a member of the cabinet, he has already logged more hours in the air than he had before becoming foreign minister. On his recent trip to Kuala Lumpur in Malaysia he developed an allergic cough that was brought on by the sudden changes in temperature, and as of last week still had not gotten rid of it. "But I find traveling by air very agreeable," he informs us.

On these travels and also in the interviews he grants to visitors in Brasilia, Rezek has observed what he regards as an encouraging change in the way Brazil is viewed abroad. "Formerly," he says, "the representatives of other countries reacted to our promises with skepticism," whereas "now they believe what we say." In the minister's opinion, nothing has contributed more decisively to turn this situation around than the changes made in Brazil's industrial policy. "They have seen for themselves, for example, that old barriers to free trade have already disappeared," Rezek says. "And they realize," he adds, "that the removal of other obstacles is merely a matter of time."

**The Young Judge of the Barricades**

At 22 years of age Francisco Rezek, a law student at the Sorbonne, saw the barricades go up in the streets of Paris—an event that helped to make May 1968 an unforgettable moment in history. His status as a native of Minas Gerais, born in the city of Cristina, naturally compelled him to remain prudently equidistant between the young combatants and the troops who had been charged with neutralizing them. This geographical predestination was reinforced by the suspicion that involvement in the university rebellion—which would be a direct violation of the norms that governed the lives of foreign students in France—would be the quickest route back to Brazil. Rezek chose instead to take the easier—and wiser—course of living through that unique month of May as an impartial spectator.

In this way, while preparing himself academically for a judicial career, Rezek was able to perfect the virtue of equilibrium in the strife-torn streets of Paris. Twenty years later, he remembers with the same restrained admiration both the victors and the vanquished. "Daniel Cohn-Bendit was an extraordinary leader who led the students with a great deal of imagination," he testifies. "But," he adds, "General Charles de Gaulle, who knew how to act with great skill, was undeniably the victor in that episode." Rezek uttered these opinions with the calm conviction of someone who would seem to have been born to be a judge.

Alhough his physical appearance is that of a man his age, Rezek's persona—as exemplified by his erudite vocabulary and carefully constructed sentences, by his smiles that barely move the muscles of his face, by his restrained gestures and solemn demeanor—usually adds several years to his actual 46. This was also the reason why the sober and unsmiling justices of the Federal Supreme Court did not appear to be disturbed when the lawyer Francisco Rezek joined their group in 1983.

This youngest justice of the Federal Supreme Court was 45 years of age when, as presiding justice of the Supreme Electoral Court he directed the most important Brazilian election since 1960. "An election should not be regarded as an unusual and highly dramatic event," he said at the outset of the election campaign. In his heart, Rezek knew he was participating in a quite extraordinary event, for he himself had never voted for president of the Republic, and in the months to come he would be a witness to extremely dramatic electoral events in which he himself was sometimes a protagonist—events which were inevitable in a contest that was polarized ideologically and characterized by spasms of primitivism. In the course of the election process, the presiding justice of the Supreme Electoral Court would become a nationally known—and respected—public figure.

He explains that the invitation to become minister of foreign affairs—transmitted by Bernardo Cabral, who had already been appointed minister of justice—was disconcerting. "I spent six days immersed in my thoughts," Rezek recalls. "I had a lifetime job, with a routine as tranquil as it could be and the certainty that in a few years I would become chief justice of the Supreme Court. I did not know how I would feel leaving all of this. But I discovered that I felt good accepting the invitation."

At the time he agreed to join the Foreign Ministry, Rezek had met Alagoas Governor Fernando Collor once—when the Federal Supreme Court assigned him to look into the dispute between the future president and the "maharajahas" of the bureaucracy—and only one other time, when the PRN [National Reconstruction Party] candidate for president sought him out in connection with campaign incidents. And although the two men now confer at least once a week, in routine conferences, they continue to address each other as "Mister."

**Foreign Minister Criticizes Perspective of the Great Powers**

In an address Monday [23 Jul] at the War College (ESG) in Rio, Foreign Affairs Minister Francisco Rezek said that the great changes taking place in the world today as a consequence of the successful effort to end the cold war have not yet been translated into benefits for the entire

community of nations. In his opinion, the so-called "megablocs" are continuing to centralize economic decisions and decisions relating to trade, to the detriment of the developing nations. According to Rezek, the challenge for Brazil is now "to argue for a new ethic that will promote integration and discourage protectionism and arbitrary practices." Following are passages from the minister's address:

"Harking back to the address delivered recently in this institution by the secretary general for foreign policy of the Foreign Ministry—an address filled with information and analyses concerning the present moment in history—I shall recount the historical perspective of the principal trends of this new era in order to point out its most promising and significant feature, namely the end of the Cold War."

"The Manichean and bipolar logic of the Cold War entailed a strategic concept that had a profoundly stifling effect on the nations of the world as a whole. In periods of confrontation, every crisis and every attempt to rebel against the hegemonic position of the two superpowers was judged from the narrow point of view of the East-West conflict and suppressed accordingly."

"The peace of the postwar era was not peace. From the distorted perspective of those times, peace was lived as war had been waged: he who was not your friend was your enemy. As a result, loyalties were mutually exclusive and no transgressions were tolerated, either in the area of foreign relations or in the area of domestic politics."

"Andrei Gromyko tells us in his memoirs that in 1955—at the height of the Cold War—the Soviet Union offered to join NATO. The former Soviet foreign minister does not say so, but this was undoubtedly a ruse by which Moscow merely wanted to reveal the hostile purpose of the Atlantic Alliance. A few weeks ago, however, President Bush invited President Gorbachev to attend a NATO meeting, and only a few doubted that this gesture was of exceptional importance in the design for a new political and strategic security plan—a plan that will be of inestimable value in the process of consolidating the growing climate of understanding and peace on the international scene."

"Some international analysts even believe that the Cold War is probably not over but merely under review. The rationale is that with confirmation of the fact that Gorbachev's attention is focused primarily on the USSR's domestic affairs, an unprecedented strengthening of Washington's international power might well take place in the light of the withdrawal of the deterrent effect which for good or for ill Moscow's constant presence in the four corners of the earth did represent. Under those conditions, the United States could resume the role of guardian of world peace, using the motto, "what is good for Washington is good for the world."

"It is therefore not without a factual basis that questions have been raised as to whether the Cold War has ended. Certain considerations even make it advisable to qualify one's initial optimism, at least with respect to the dissolution of the world power monopoly: in other words, with respect to integrating the negotiating ability of a larger and more representative number of countries into the decisionmaking processes concerning matters of collective interest. For example, while the neodetente that is today obvious between Washington and Moscow is being celebrated, one also notes with uneasiness the continued preference shown by the superpowers for bilateral and exclusive consideration—or, in the best of hypotheses, negotiation between military alliances—of matters that are central to the strategic equilibrium and security of the world."

"It is with natural apprehension that Brazil is observing these theories being put to the test. History teaches that whenever concepts such as sovereignty are weakened, the interests of countries that have less power on the international stage suffer. Brazil's apprehension is all the more logical if one recalls that in the economic and trade aspects as well, the extraordinary changes in the world have not reached the community of nations uniformly, and the benefits of those changes are in no way likely to be automatically extended to everyone."

"While the North prepared to enter the 21st century, the South continued its struggle to enter the 20th century. What makes the situation worse is that today—on the threshold of the decade of the 1990's—the dynamic of economic and trade relations may, according to some analysts, tend not only to be concentrated among the megablocs but also to develop under rules of an undisguised protectionist character."

"Brazil will therefore argue—at the international level—in behalf of a new ethic that will encourage integration, discourage protectionism and arbitrary practices, and promote increased international cooperation, based on the principles of equality and mutual respect."

## Chile

### PCCh Holds 'Shining Path Congress' in Brazil

*PY2808031890 Santiago Domestic Service in Spanish 2300 GMT 27 Aug 90*

[Text] Several media sources in Santiago have received a communique from the so-called Communist Party of Chile-Shining Path Central Committee [Comite Central del Partido Comunista Sendero Luminoso de Chile]. The communique, signed by group spokesman (Americo Pepote), confirms the holding of the first congress of the various Latin American Shining Path groups in Sao Paulo, Brazil.

So far the Peruvian ultraleftist Shining Path movement was the only one known to exist. This group controls a large portion of Peru's Andean region, particularly areas where coca crops are grown. Over the past five years the

Peruvian Shining Path has been trying to expand its organization toward Bolivia and northern Chile.

According to the communique signed by (Americo Pepote), during the meeting in Sao Paulo several communist and socialist groups that had previously separated from their respective parties have joined the Shining Path organization.

The communique concludes by reiterating its demand for the release of all so-called political prisoners.

### Lautaro Group Claims Attack on Mormon Churches

*PY2708131690 Santiago Domestic Service in Spanish 1100 GMT 27 Aug 90*

[Excerpts] Through an anonymous phone call to the UPI news agency, the extremist Lautaro movement has claimed responsibility for three attacks against Mormon temples late last night. The temples in La Florida, Ochagavia, and Santiago Norte were damaged by Molotov-type fire bombs. The caller said that the attacks were staged as a tribute to terrorist Julio Jacinto Eyzaguierre, alias Roberto, who died on 24 August after being wounded by a Carabineros noncommissioned officer during an attack by the extremist group on a supermarket in Conchali. The spokesman stressed that the attacks on the temples caused no casualties and that the Mormon temples were chosen because this religion, which was founded in the United States in the last century, is considered a symbol of imperialism in Chile. The caller did not say whether there would be more attacks. [passage omitted]

Carabineros Noncommissioned Officer Hugo de la Barra was shot and injured during the terrorist attack on the supermarket and has been operated on three times to close his abdominal walls. Police sources have said that his condition, although serious, is improving. [passage omitted]

De la Barra sustained four bullet wounds when he repelled a terrorist attack against the (Egas) supermarket on the evening of 23 August in Conchali, where he was shopping. The attack was later claimed by the terrorist MAPU-Lautaro [Lautaro United Popular Action Movement] group and by the Lautaro Youth Movement. De la Barra wounded terrorist Julio Eyzaguirre Reyes, alias Roberto, 24, whose dead body was left by the terrorists outside a Santiago hospital in a stolen taxi.

## Colombia

### Army Releases Father of Medellin Cartel Leaders

*PA2808190590 Bogota Inravision Television Cadena 1 in Spanish 1736 GMT 28 Aug 90*

[Text] This morning the 4th Infantry Brigade released horsebreeder Fabio Ochoa Restrepo, who had been arrested during a raid of La Loma Farm. Forty of his workers are still detained. Ochoa Restrepo is the father of the Ochoa clan of the so-called Medellin Cartel.

At approximately 1500 on 27 August, police and army helicopters overflew La Loma Farm, which is owned by Fabio Ochoa. A few minutes later, 4th Infantry Brigade troops and civilian personnel raided and searched the farm. At least 30 men working in the stables were detained on site. Fabio Ochoa, his wife Margot Vasquez, and a friend of the family were also at the farm. All of them were forced to spend the night at the farm since the authorities did not allow them to leave. The workers were subjected to routine questioning.

The officer in command of the operation asserted that the people at the farm will be detained until the authorities verify that none of them has criminal records.

[Begin unidentified speaker recording] They told us that this is a raid to check whether there are any bad things going on here. There is nothing illegal here. They told us we had to spend the night here because there is no judge around. [end recording]

The reason for the operation has not been clearly stated. The Army explained only that it had to verify some reports it had received. The workers will remain detained at Ochoa's farm until their legal status is cleared.

### * Despite Nonpayment, Exports to Cuba Continue

*90SM0208C Medellin EL COLOMBIANO in Spanish 7 Jul 90 p 7-a*

[Article by Fidelia Arboleda de Angel]

[Text] Exporters will continue selling to Cuba at their own risk. Francisco Velez, the manager of New Stetic, and Carlos Lega, the president of Holasa, said as much, indicating that they will not abandon their Cuban customers now that they are having problems.

Payment problems between countries ought to be handled with a more commercial approach, and arrangements should be established to resolve temporary liquidity problems. This was the recommendation of Carlos Lega Rueda, who stressed the need for more dialogue and some flexibility on terms that will offer a better chance of obtaining payment. He noted: "Any abrupt breakoff in trade relations with Cuba is not consistent with the philosophy of opening up exports that Colombia is pursuing." He suggested a less monetary and more commercial approach to maintaining export markets.

#### Not in a Position to Defer Payment

Jorge Alberto Velasquez Pelaez indicated that precisely because of Cuba's credit worthiness, all of the transactions that have so far been made through reciprocal credit cannot likely be handled by means of payment through Canadian banks, given that the volume of business is quite high.

Exporters will have to see whether they can begin operating this way because otherwise they will not be in a position, on their own, to give a Cuban firm one year to pay for what it has bought.

A shutdown of exports, Velasquez Pelaez added, could cause many of the deals that have been put together so far to disappear.

The situation will have repercussions on industry because some companies have based almost their entire export program on the Cuban market. The domestic market would not likely be able to absorb what the Cuban market does today for these companies.

**Exports Will Not Be Suspended**

New Stetic was a pacesetter in exports to the island, beginning its sales there in 1978. At first it exported only acrylic teeth, which were checked by the University of Havana and the Cuban Health Ministry. They then began expanding and were initially paid with sight letters of credit under the bilateral agreement between Colombia and Cuba.

Francisco Velez Gomez, the manager of New Stetic, recalled that Proexpo [Export Promotion Fund] later spurred sales to the island by way of Resolution 42. This arrangement lasted a long time and enabled the countries to do business in dollars and at low interest rates.

In 1985 and 1986 Cuba took in between 20 and 25 percent of New Stetic's annual exports, the figures being $500,000 to $700,000 a year. In 1986 it sold Cuba a tooth factory for more than $500,000, competing with bids from England, Argentina, Italy, and Czechoslovakia.

Expressing regrets over the island's economic condition, Francisco Velez said that Colombia was under heavy pressure to sell to Cuba. Purchasers from various Cuban organizations arrived and began buying tin, capsules for pharmaceuticals, gloves, and prefabricated homes from firms in Cali, Barranquilla, Bogota, and Medellin.

The company that Velez Gomez manages now has close to $150,000 in orders that it is shipping little by little at its own risk. He mentioned this in explaining that his friendship with the agency that makes health-care policy in Cuba, Medicuba, and with the Health Ministry prevents him from suspending sales. He indicated that Cuba makes payments with a transfer system. The merchandise arrives, and they immediately pay in Canadian dollars, having never failed to do so up to now.

In spite of all the problems, New Stetic refuses to suspend exports "because if they trusted us for 13 or 14 years, we have to lend them a hand now, especially with these public-health items."

Francisco Velez thinks that the Colombian Government has made a sound move for the national economy but was confident that the Cubans will seek solutions, obtain aid from some nation, and pay Colombia just as it has other countries.

**Exports To Decline**

Holasa signed a contract last November to deliver 5,400 tons of tin during the first half of 1990. Some 3,000 tons have been shipped under the contract so far, and thus 2,400 remain.

As we know, the agreement was scrapped. Since this was the payment arrangement under which Holasa's exports had been handled, it has no guarantee that Cuba will pay up.

In this connection the firm's manager, Carlos Lega Rueda, underscored that although the agreement has been suspended, it may be reactivated, though not in the near term.

They are thus looking into the possibility of terminating the contract by obtaining a letter of credit from an international bank in a third country that will enable Holasa to cancel its obligation to Cuba Metales, its client on the island.

The president of the Antioquia firm mentioned that termination of the agreement would hamper future business with the island, adding that business would shrink and could become dependent on the chances of obtaining payment documents such as confirmed letters of credit.

**Will Not Give up**

Before the agreement was suspended, Holasa had firmed up another deal involving 1,600 tons, but it was subject to the agreement, and there are now doubts that it can be made good.

This company too will feel the effects and will be forced to cut back on its exports in the short run.

We should recall that the firm's overseas sales over the past two years had risen to about 10 percent of its output. This year they will hit 5,600 tons, thanks to the Trinidad and Tobago market. They may fall in 1991, however, because the pending commitment will not be fulfilled. It is thus seeking alternative markets in the Caribbean and Central American area.

In any event, Cuba is increasingly dependent on South American for its raw materials and inputs. Hence, it will not make the mistake of disregarding its obligations to this region of the world, inasmuch as being at odds with Colombia would mean being at odds with South America. According to analysts, this would spell an end to trade opportunities with other countries, such as Venezuela and Argentina.

Cuba uses tin to can fruit juices and nectars bound for the African and Asian markets. If Colombia suspends its exports of tin, Cuba will not be able to get its own exports out.

The Holasa president said that he was opposed to breaking off relations with Cuba unilaterally. "It would shut them down completely, because they depend on our raw-materials supplies, and if we did that, it would only guarantee that the company would never receive the money it is owed." He reaffirmed that a commercial approach to the issue is needed and that new repayment periods must be sought so that business can continue and the liquidity problem can be overcome.

The government's action has undermined a more than three year effort. Carlos Lega is not giving up, however, and hopes to resolve the payment problem through another channel. [Box, p 7-A]

**Two Payment Options**

Colombia began selling to various Cuban firms pursuant to a Proexpo initiative.

A bilateral agreement that made things easier was signed in 1977; enabling Colombia to ship a sizable amount of nontraditional items to Cuba.

Cuba has stopped paying, which entails a very serious risk for the Bank of the Republic, and for this reason Colombia was forced to cancel exports there.

The transactions that have actually been affected are the ones under the reciprocal credit agreement. There is still the option of doing business directly with payment through a Canadian bank.

The termination of the agreement hampers new business with the island now, although some industrialists think that a temporary liquidity problem has caused the payment delay.

Holasa, several textile firms, Satexco, New Stetic, Beldent, Manoplas, and Erecos, among others, export from Colombia to Cuba.

To meet its obligations Cuba takes out loans from other countries, Canada and Mexico in particular.

The island is having some troubles because it has stopped receiving aid from the Soviet Union, and its ability to pay has thus worsened significantly. Cuba buys raw materials and other products from Colombia, but always on special payment terms. It does not make payments for 360 days.

Two options have thus arisen. Either do business with letters of credit through Canadian banks or do business directly under the reciprocal credit agreement that has existed between the Bank of the Republic of Colombia and the National Bank of Cuba.

There are really no major obstacles to the first option. In other words, if the Cubans make payments through Canada, Colombian exporters will have no problem because the letter of credit will be accepted and confirmed by a Colombian bank.

The problem arises with accounts under the reciprocal credit agreement, that is to say, between our national bank and Cuba's.

We should recall that balances due are paid off periodically under the agreement in question.

## Paraguay

### President Urges People To Register To Vote

*PY2808152090 Asuncion ABC COLOR in Spanish 25 Aug 90 p 2*

[Text] On 24 August President Andres Rodriguez expressed his concern over the very low number of people who have registered to vote, and he urged all those who are over 18 years of age to enter their names in this very important registry and thus be in a position to vote in the upcoming municipal elections.

Rodriguez called on "all my fellow countrymen to register so that they can deposit at the opportune time the name of their candidates in the ballot boxes, because this will enhance the representation of the people as a whole."

According to [Planning Secretary] Washington Ashwell, at the end of a cabinet meeting, the chief of state recommended that the members of his cabinet carry out a campaign of awareness on the need to register. He also recommended the expedition of the necessary documentation to register.

### Rodriguez Names New Artillery Commander

*PY2808152890 Asuncion ULTIMA HORA in Spanish 24 Aug 90 p 12*

[Summary] Commander in Chief of the Armed Forces General Andres Rodriguez has named Brigadier General Emilio Osvaldo Balbuena as the new commander of the Military Artillery Garrison, based in the town of Paraguari. Balbuena will take over his new post on 27 August. He replaces Brigadier General Crispiniano Lopez Jimenez.

### Deputy Fanego Elected Colorado Bloc Leader

*PY2408152890 Asuncion ULTIMA HORA in Spanish 17 Aug 90 p 8*

[Summary] Deputy Ruben O. Fanego, a member of the Orthodox faction of the Colorado Party, was elected today as leader of the Colorado Party bloc in the Chamber of Deputies. Deputy Efraín Enriquez Gamon will continue as deputy leader.

### 'Militants' Denied Full Political Rights

*PY2708171690 Asuncion ULTIMA HORA in Spanish 25 Aug 90 p 8*

[Text] Asked about the appearance of the "Militant Stroessnerist" faction in the political arena, President Andres Rodriguez said: "Everyone has the right to participate in this democracy, but the 'militants' must wait a while. We suggest that at least they stay quiet. But if they are so eager to cheer and to become active in the name of Stroessner they can go and join him [Stroessner is living in asylum in Brazil]. No one will forbid that." Rodriguez also denied he had authorized, through [former interior minister] Luis Maria Argana, their active participation in politics.

Rodriguez explained that only some of the "Militant Stroessnerist" leaders cannot participate in the political activities of the Colorado Party because of their responsibility in the activities of the last years of the Stroessner administration which forced the Armed Forces to act on 3 February 1989 "to put the country back on the democratic path."

"We still do not want these leaders to fully participate in the political life of the country because some of them are responsible for what happens within the Colorado Party. Some of them participated in the take-over of the Colorado Party convention in August 1987. These people have to pay a political price for their participation in these acts. The must at least stay quiet until the blood of the soldiers and officers who gave their lives for the cause has dried." Rodriguez said.

Referring to the "militant" meeting in the interior of the country and the cheers and vivas given in the name of Stroessner, Rodriguez said: "I believe that they support Stroessner, not me or our people. If they want to cheer that candidate, they can always go and join him."

Asked if the prohibition against the "Militant Stroessnerist" faction is due to state security reasons Rodriguez said: "It is not really a prohibition because everyone has the right to participate in this democracy of ours but we have to guard the peace and tranquility in the country as we committed ourself to do at the beginning of my administration."

### Colorado Leaders Uphold Contradictory Positions

*PY2808153690 Asuncion ULTIMA HORA in Spanish 27 Aug 90 p 9*

[Text] The speeches delivered over the weekend in Guaira by Luis Maria Argana, acting president of the Colorado Party [ANR] executive board, and Juan Ramon Chaves, leader of the ANR "traditionalist" faction, have spurred contradictory reactions in political sectors, particularly within the ANR.

The ANR party leaders upheld different positions regarding the Stroessner regime. Without directly alluding to the Stroessner administration, Argana said that "despite its ups and downs, and even a small corruption process, the ANR is responsible for the economic transformation the country has experienced in the last few years." This statement has been interpreted as a tacit support for the ousted Stroessner regime.

Argana also said that there is currently an attack on the Colorado Party. He said: "Infamous, slanderous, irresponsible, treacherous, and false charges are being raised against ANR leaders with the objective of destroying those principles that seek to safeguard Paraguayan nationalism. Those despicable hypocrites, who seek to destroy republican values, must be aware that the ANR will come out victorious."

Moreover, Juan Ramon Chaves said in his speech that "during the Stroessner regime, democracy was not upheld since everything depended on the will of the dictator. In addition, the group falsely claimed to represent the will of the Paraguayan people."

According to investigations, it is believed that Luis Maria Argana still believes that the Stroessner regime was highly positive because he even referred to "a small corruption process" whereas everyone is aware that the theft of public funds was characteristic throughout the Stroessner regime.

As for Chaves' speech, it is said that the veteran politician "obviously asked for forgiveness while Argana continues to uphold an authoritarian political stance." The ANR "orthodox" faction is currently in full political campaign in view of the upcoming ANR internal elections.

### 'Incipient Plot' Against Government Detected

*PY2808155690 Asuncion ABC COLOR in Spanish 28 Aug 90 p 6*

[Text] An "incipient plot" against the government has been detected among the so-called "militant" faction of the Colorado party, according to Interior Minister Orlando Machuca Vargas. He made a warning regarding the militants: "We will not allow any reappearance of the dictatorship." He added: "We will defend this democracy with all our might."

"We want to live in democracy and we will defend it with all our might," the interior minister stressed when asked about the militant faction's intended reactivation. "Personally I think that the militant leadership should not participate in political activities," he said, and then he asked the journalists: Which do you want: To live in democracy or return to the dictatorship?

The minister said: "Those militant faction members who did not commit any 'mortal sin' are being allowed to participate in politics, but should we allow those who were very close to the former regime to actively participate? [quotation marks as published]

When asked about the Police Chief General Francisco Sanchez summons of militant faction leaders Martin

Chiola and Juan Manuel Cameron Montanaro, the interior minister said: "In principle, Dr. Chiola was summoned by the police chief. Personally I have nothing against him. I can assure you that the conversation between him and Gen. Sanchez was cordial, within a framework of respect. Now, Engineer Cameron Montanaro gave a party on his farm in Misiones where other kinds of expressions were heard which do not contribute at all to the pacification of the Paraguayan family."

Regarding the possibility of creating a law for the defense of democracy, he said: "I totally agree with this."

When asked about the situation of Gustavo Alfredo Dominguez Stroessner, grandson of the former president who was expelled from Paraguay, Machuca Vargas said that he will probably not return. "To tell the truth, he will probably not return." He added that it is would best if he does not return "for obvious reasons."

When asked if it was simply a police decision, the minister said: "I think I have answered that question," and once again asked himself: "Shall we live in democracy or return to the past times?"

"I think that it would be best to continue living in democracy. Thanks to this democracy, perhaps somewhat incipient, you (journalists) are working without any problems, peacefully, and without being bothered. There is freedom of the press, of opinion, freedom to meet, etc."

When reminding him that a writ of amparo has been presented to allow Dominguez Stroessner to return to the country, the minister said: "I tell you that it would be best if that gentleman did not return to the country."

Regarding the reasons for that prohibition, Machuca Vargas said: "He (Dominguez Stroessner) contacted several members of the past administration. That was the main reason for which his withdrawal from the country was ordered."

When asked about a possible plot, the interior minister said: "I would not call it a plot, although it could be an incipient one."

When reminded that he had described Chiola's meeting with the police chief as very cordial and asked if this fact could be understood as permission for this militant faction member to return to political activities, Machuca Vargas said: "No, not at all. We will not allow him to return, and don't come and tell me that we are restricting his rights. And forgive me for being repetitive: Shall we live in democracy or return to the former regime?"

### Frutos Says Talks With Menem 'Positive'

*PY2708130890 Asuncion PATRIA in Spanish 27 Aug 90 p 19*

[Excerpt] On 26 August Foreign Minister Alexis Frutos Vaesken termed his talks with Argentine President Carlos Menem and Foreign Minister Cavallo as very positive. The foreign minister returned to the country from Argentina at noon on board an Argentine Airlines flight.

Regarding the topics discussed with the Argentine foreign minister, Frutos highlighted the topic of integration, which was the basic objective of the trip. Other topics pertaining to bilateral relations were also discussed such as the question of the Pilcomayo River, the Corpus dam, Yacyreta hydroelectric plant, and the river waterway. [passage omitted]

### Communist Party Stages Open Rally

*PY2808140090 Asuncion HOY in Spanish 28 Aug 90 p 11*

[Text] The Paraguayan Communist Party [PCP] last night proposed the creation of "a powerful front" as an alternative to overcome the inhuman system of capitalism and that of the large estate ownership. The rally was attended by about 100 political activists who participated in a rally in honor of Antonio Maidana on the 10th anniversary of his arrest and subsequent disappearance.

PCP secretary general Ananias Maidana talked about the political and personal esteem of Antonio Maidana who was the first secretary general of the PCP Central Committee. Maidana said: "We must understand his legacy and seek a common ground among the different political sectors to work on proposals to benefit the people."

The strategy of the PCP was handed out to the representatives of political parties who attended the rally. Nearly all the political parties were represented. The strategy seeks "to open this restricted democratic spring even more and to increase the struggle of the masses."

It is worth pointing out that last night's meeting was "quite unusual" for those present, particularly those who lived in exile during "Stroessner's dictatorship" and who at last had the chance to see the party premises adorned with the red flag bearing the hammer and sickle and the flag of the fatherland.

## Peru

### Minister Says Economic Stabilization Going Well

*PY2708153490 Lima LA REPUBLICA in Spanish 23 Aug 90 p 4*

[Excerpts] Mines and Energy Minister Fernando Sanchez Albavera yesterday ruled out any possibility that the government may implement a "new economic adjustment," and he forecasted that inflation will be controlled as of next January. "If not, the Cabinet will resign," he said without hesitation.

Sanchez Albavera said that the current economic stabilization program "is going well." The minister stated: "The indicators of the past few days show that we are going the right way," adding that "the deflation process is accelerating and prices are reaching real levels." The

minister said that the economic reconstruction process is like a game of chess. "The pieces must be positioned to definitely checkmate inflation," he said.

Sanchez Albavera asserted that the Fujimori administration received a bankrupt country with an unprecedented runaway inflation. If the current drastic economic measures had not been adopted, inflation would have devoured us with a rate of 10,000 percent this year, he added. The accumulated inflation rate of the past five years reached the high level of 20,050 percent in July 1990. "That means that prices multiplied 23,000 [as published] times," he said.

He said that the economic stabilization program will logically face some problems and that it should create some "unforeseen social circumstances." He added: "However, I assure you that after this stage of sacrifice we will have a very favorable period of stabilization that will benefit all of us." [passage omitted]

The minister spoke yesterday after the swearing in ceremony for the new president of the Peruvian Institute of Nuclear Energy (IPEN), Frigate Captain Julio Dellepiani, retired, who is replacing Cristobal Miletich who has been IPEN president for nearly a year and a half. The ceremony took place at noon with the participation of the IPEN workers. Dellepiani was sworn into his new post amid great applause. His predecessor was also bade farewell with an ovation.

Minister Sanchez Albavera gave a short speech in which he revealed that the economic stabilization program is going well. Sanchez Albavera said that the current multiparty Cabinet is seriously working for national reconstruction.

As for the IPEN, the minister said that the government will give priority treatment to several projects, one of which is the construction and inauguration of an industrial complex for the preservation of food and sterilization of medical products.

The project can be quickly completed, he added, and it will be aimed at the fields of agriculture, food, and health. One of its favorable effects will be to avoid a significant loss of food production, a loss that currently amounts to 30 percent. Another benefit will be the reduction of food-production costs. It will also reduce hard currency expenses on food importation. He said that food can be preserved four times as long with the application of nuclear energy.

Another program that the government will support, the minister said, is the production of radioisotopes. He said that the radioisotopes production must first satisfy the internal demand, and then it should allow Peru to enter in the Latin American market in this field. [passage omitted]

## 300,000 Workers Laid Off; Hurtado To Speak

*PY2708004590 Buenos Aires DYN in Spanish 2236 GMT 25 Aug 90*

[Text] Lima, 26 Aug [date as received] (AFP)—A business source reported today that some 300,000 workers have been laid off due to a paralysis of 40 percent of Peru's small industries caused by "the dangerous recession" which has resulted from the drastic economic adjustment implemented by the current government.

Elena Maria Delgado, vice president of the Small Industries Committee of the National Association of Industries (SNI), has stated that 40 percent of businesses have been forced to close their doors or to give mandatory vacations to their workers, "thereby provoking a serious crisis and reducing the country's installed industrial capacity by 80 percent."

She said: "We know that a basic salary of 16 million intis (approximately $50) per month is insufficient, and people can do very little to continue to buy products manufactured by small, local industries."

The tough stabilization program defended by President Alberto Fujimori last night in a message to the country, 28 days after assuming power, "is generating a tremendous recession due to the clear drop in production and employment levels," economist Percy Tabore stated.

Tabore agreed with other economists, however, that the controversial anti-inflationary program "is apparently yielding the expected results, as far as balancing the fiscal deficit and the gradual elimination of inflation are concerned," although it is still too early to determine the true effects, he said.

Tabore explained that the tax levied on fuel (when the previous price of $.25 was increased 30 times) is a very aggressive method of collecting revenue, but, although it provides an easy collection of revenue and a balancing of the fiscal deficit, it can generate a tremendous recession in the productive apparatus.

Public enterprise employees, threatened with a wage and salary freeze and the elimination of their collective agreements, will submit a petition for a writ of amparo against a government decree restricting their rights on 27 August.

The decree, which will affect more than 400,000 workers in energy, water, national telecommunications, and other services, must be abolished due to its unconstitutionality, Deputy Luis Negreiros stated. He plans to submit a bill to Congress to that affect.

Union leader Juan Luna has reported that 18,000 petroleum workers have announced a 48-hour strike for 27 and 28 August to protest the government measure that restricts the rights of Petroperu [State Petroleum Agency] workers.

Transport and Communications Minister Eduardo Canales has reported that 1,000 Aeroperu [Peruvian

State Airlines] workers "will necessarily be laid off to prevent that enterprise from definitely closing its doors due to a lack of resources."

The unemployment threat is also affecting some 2,500 Siderperu [Peruvian Iron and Steel Enterprise] workers who will be laid off as a "consequence of the austerity measures decreed by the government," a union source has reported.

The so-called "big economic package," which will be defended in Congress on 27 August by Prime Minister Juan Carlos Hurtado Miller, has increased gasoline prices by 38 times and basic goods by 1,000 percent, thereby worsening the poverty of almost 75 percent of the 22 million Peruvians, according to opposition critics.

The Peruvian president said last night that although this program is less than a month old, there is a virulent opposition that is demanding an explanation for an economic crisis that has been accumulating over the past few years. "Many of those responsible for that crisis are now raising their voices in protest," he said. He accused the union boards that organized a national protest strike three days ago of being "cheap politicians" and "demagogues."

### Jurist Commission Presents Coca Replacement Plan

*PY2808161290 Lima EL COMERCIO in Spanish 24 Aug 90 p 2*

[Text] Diego Garcia Sayan, executive director of the Andean Jurist Commission (CAJ), yesterday said that Peru has not drafted any alternative development policies or plans to replace coca leaf production. Sayan added that this is especially true in the Alto Huallaga and Huallaga Central regions. Sayan spoke at a meeting that the CAJ held with journalists to discuss the Cartagena summit.

During the meeting CAJ Alternative Development Director Ivan Ste-Rementeria presented a program for alternative development to replace coca plantations.

According to Garcia Sayan, during the past administration the issue was discussed with a lot of rhetoric and only in general terms. Sayan said that during the Cartagena summit it was forecasted that the price of coca leaves would drop—by 84 percent in Peru—but added that the government did not take advantage of the situation.

Sayan said that to solve the problem or the eradication of coca plantations three important factors have to be considered: producers economic dependence on coca production; regional economic dependence on narcotics production; and foreign dependence on narcotics.

Ivan Ste-Rementeria explained that the CAJ alternative development program will take five years and will require a $360-million investment. The CAJ said that 80 percent of that amount should come from credits and the rest from donations.

Ste-Rementeria said the plan has three objectives and will give coca-producing peasants the alternative to produce other profitable items, including coffee, cacao, annatto trees, palm oil trees, and walnuts, among others.

Ste-Rementeria said that Peru will lose the $800 million it collects every year from the illegal export of coca by-products if we solve only one of the problems adding that that sum amounts to anything between one-third to half of Peru's legal exports. [as published].

### New State Company Executives Appointed

*PY2808163490 Lima EXPRESO in Spanish 23 Aug 90 p 10*

[Summary] According to EL PERUANO, the government has appointed General Humberto Rivas Grados, retired, as the new superintendent of the National Revenue Service; Luis Fernando Suenaga Pinillos has been appointed president of the National Urban Transport Enterprise, Enatru; Colonel Virgilio Roa La Rosa, Jose Luis Villaran, and Luis Castaneda Lossio, have been appointed president, vice president, and government representative, respectively, of the Peruvian Social Security Institute, IPSS; Ricardo Shinzato Santos is the new executive president of Peruvian Radio Television Company, RTP; Willy Pinto and Carlos Orellana have been appointed members of the Peruvian Editing company [Empresa Editora del Peru]; Carlos Bracamonte, Manuel Velasquez, and Ricardo Rivera Romero are the new directors of LA CRONICA, LA TERCERA, and EL PERUANO state newspapers, respectively.

### 'Critical' State of Armed Forces, Police Viewed

*PY2808010290 Lima EL COMERCIO in Spanish 24 Aug 90 p A-4*

[Excerpt] On 23 August Felipe Osterling Parodi, president of the Senate Committee on National Defense and Internal Order, described the situation of the Armed Forces and the National Police under the former administration as "very critical." He said that the possibility that President Fujimori's administration could be militarized has not been ruled out.

"That could be true. President Fujimori could have kept close contacts with members of the Armed Forces...but that is his political style," Osterling said.

He said, however, that regardless of President Fujimori's political style, the Armed Forces and the National Police will strictly comply with the Constitution "so that democracy can be strengthened despite the country's serious problems."

Regarding the serious situation of the Armed Forces and the National Police, Osterling said that they lack supplies, medicines, fuel, and the uniforms necessary to perform their duties.

"The critical economic situation also affects the Armed Forces," he added.

Osterling made these statements after the installation of the commission he presides over, which was attended by Senate President Maximo San Roman and the defense and interior ministers.

Concerning rumors from abroad on a possible U.S. Senate decision to charge the Peruvian Armed Forces with corruption, Osterling said that he regrets this distorted information, which could be seen as meddling in a country's domestic affairs.

He said that the Foreign Ministry has not taken any action on this issue because it has not received any official note on the matter. He announced that the Senate Defense Commission will discuss the issue with the Foreign Ministry, from which they will request official information. [passage omitted]

### State of Emergency Extended in Eight Departments

*PY2808130490 Lima Television Peruana in Spanish 1100 GMT 28 Aug 90*

[Text] To safeguard and maintain public order, the government has extended for 60 more days the state of emergency in the departments of Apurimac, Huancavelica, San Martin, Junin, Pasco, Ayacucho, Huanuco, Ucayali, and in the Province of Loreto.

### Lurigancho Businessmen Threatened by Terrorists

*PY2808013290 Lima LA REPUBLICA in Spanish 23 Aug 90 p 22*

[Excerpt] More than 20 industrious midlevel businessmen from the spinning and clothing industry of San Juan de Lurigancho District yesterday revealed that they have received death threats from the Shining Path and will be killed if they fail to make large payments each month to this terrorist organization. The businessmen demanded immediate police protection.

This imminent risk, which threatens the lives of these businessmen and their families as well as their industrial installations, was made known yesterday morning during the burial of Humberto Aguilar Pacheco and Angelica Zenaida Villanueva, the couple who owned the Eagles S.I.R. [expansion unknown] factory, who were gunned down by four terrorists on 20 August.

Four owners of medium-size businesses—who did not give their names for security reasons—said that they are living through difficult times both inside and outside their factories because the terrorists have been threatening them for several months with anonymous telephone calls and letters demanding large sums of money.

They said the terrorists threatened not only to kill them but also to destroy their factories if they did not pay "war fees" [cupos de guerra].

The businessmen also reported that they repeatedly requested permanent police protection for their factories, but always in vain.

They told LA REPUBLICA reporters that the cowardly murder of the Aguilar-Villanueva couple was a dramatic warning to everyone and that the police and Interior Ministry officials must be aware of the seriousness of the situation.

According to reports, Juan Humberto Aguilar Pacheco and his wife were attacked and murdered by four subversives early on 20 August as they were about to enter their factory on block 13 of Cajamarquilla Street, Zarate Compound, Juan de Lurigancho District. [passage omitted]

### Terrorists Murder Mayor, Four Other Civilians

*PY2808151290 Lima LA REPUBLICA in Spanish 24 Aug 90 p 23*

[Report by Manuel Tovar]

[Excerpts] Huancayo, 23 Aug — Romulo Hinostroza Bazan, IU [United Left] mayor of San Pedro de Sano, and four other civilians, including two Mormons were shot dead last night during another wave of attacks in several sectors of this city.

Vidal Porras Gaspar, a town counselor, was seriously wounded. During the early morning he was interned in El Carmen Hospital, where he is fighting for his life according to a FOCEP [Labor, Campesino, Student, and Popular Front] communique. The murdered mayor is a member of the FOCEP. [passage omitted]

The attack occurred at approximately 2230 [0330 GMT] a few minutes after the mayor and his councilmen ended the party with which they were celebrating the installation of electricity in the district. [passage omitted]

### Terrorists Kill Politician, Son in Ambush

*PY2708124690 Lima Domestic Service in Spanish 1100 GMT 27 Aug 90*

[Text] Arturo Pacheco Giron, 48, known as Bufalo Pacheco in political circles, was killed in a brutal terrorist attack yesterday. One of his sons was also killed, and his wife was injured in the arm during the attack. According to witnesses, three young men intercepted their green Cherokee van, license plates No. RH-1006, at 1400 yesterday as Pacheco was leaving his pork farm in El Sembrador field, Santa Marta Baja District, 4 km from the Central Highway, El Agustino sector. In the van were Pacheco's wife Gabriela Buendia Pereda, 32, and their four children, three of whom escaped unhurt from the attack, together with a worker who was travelling with them.

## Guyana

### Fifth Grant Agreement Signed With Canada

*FL2808191590 Bridgetown CANA in English 1618 GMT 28 Aug 90*

[Text] Georgetown, Guyana, August 28, CANA—Guyana and Canada have signed a grant agreemeent for

CAN 14.9 million dollars in credits for procurement of commodities and semi-finished products by Guyanese private sector industries. Primarily export-oriented industries will benefit from the credit, which will be used for imports from Canada and the Caribbean, the Canadian High Commission in Georgetown said Monday.

The agreemeent, the fifth such balance of payments support project agreement signed by Guyana and Canada in the past 18 months under Guyana's Economic Recovery Programme, was signed in Georgetown by High Commissioner Frank Jackman on behalf of the Canadian Government. The industrial inputs to be procured under the line of credit are expected to include steel, aluminium, paper, and plastics.

Consultations between the Guyana Ministry of Trade and Tourism, local industries, and the Canadian Agency for International Development (CIDA) to identify specific beneficiaries and specific inputs are continuing. The first shipment of inputs is expected to arrive in Guyana in early 1991.

Earlier agreements signed by Guyana and Canada include a CAN five million dollar grant for petroleum and fertiliser purchases, in March last year, a three million dollar grant for paper and related equipment for school exercise book product, and a 36 million dollar grant for the purchase of fertilisers mainly for the rice and sugar industries.

## Suriname

### Police Headquarters Burned Down in Paramaribo

*FL2808122390 Bonaire Trans World Radio in English 1130 GMT 28 Aug 90*

[Text] Authorities in Suriname are investigating the cause of a fire that burned down police headquarters in Paramaribo yesterday. The police say that arson may be to blame. Over the past few weeks police had been on strike to protest the death of a narcotics investigator and some are accusing members of the Army for the murder.